CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

THIRD SESSION—TWENTY-FOURTH PARLIAMENT

8-9 ELIZABETH II

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VOLUME IV, 1960

COMPRISING THE PERIOD FROM THE ELEVENTH DAY OF MAY, 1960,
TO THE TENTH DAY OF JUNE, 1960, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

HOUSE OF COMMONS

Wednesday, May 11, 1960

The house met at 2.30 p.m.

STARRED QUESTIONS

RADIO OPERATORS—ADVERTISING IN U.K.

Question No. 135—**Mr. Pickersgill:**

1. Is the civil service commission advertising in the British isles for radio operators for the Department of Transport?
2. If so, have any steps been taken to provide persons presently residing in Canada with the training required for such jobs?

Hon. Leon Balcer (Acting Secretary of State): The answer to the first part of the question is yes. The answer to the second part is yes. Nevertheless, such training courses and repeated advertising across Canada have failed to provide the necessary supply of radio operators.

DROWNING ACCIDENT, SECHELT INLET, B.C.

Question No. 136—**Mr. Regier:**

1. Did the Royal Canadian Mounted Police investigate the accident in which six men were drowned in Sechelt inlet, near Gibson, British Columbia, during a storm on April 13 last?
2. If so, what were the results of the investigation?
3. When was the boat in question last inspected by the Royal Canadian Mounted Police previous to the tragedy?

Hon. E. D. Fulton (Minister of Justice): The answer to part 1 is yes, an investigation was made into the accident and search is continuing for the missing men.

The answer to part 2 is that six men in a boat owned and operated by John Alexander Morrison, 36 years of age, left Morrison's logging camp at 5 p.m. on April 13 to go to Sechelt, British Columbia, some eight miles away. The water was extremely rough with winds of 45 miles per hour gusting to 75 miles per hour. The partly submerged boat was recovered early the following morning. Investigation indicates that the one year old, 15 foot open boat was overloaded and the accident in all probability was a direct result of this factor and the adverse weather conditions.

The answer to part 3 is that the boat was inspected by the Royal Canadian Mounted Police on April 4, 1960, and found at that time to be properly equipped.

79951-0—238

POSTMASTER APPOINTMENTS—VETERANS PREFERENCE

Question No. 137—**Mr. McWilliam:**

Does the government recognize veterans preference in the appointment of postmasters for other than semi-staff and staff post offices?

Hon. W. M. Hamilton (Postmaster General): The answer is yes, Mr. Speaker.

R.C.A.F. AIR CREW RETIREMENTS AND DISCHARGES

Question No. 138—**Mr. Winch:**

1. How many trained air crew officers, including those in command or staff appointments, requested retirement from the Royal Canadian Air Force (a) in the fiscal year 1958-59; (b) in 1959-60?
2. What was the approximate cost of training these officers?
3. How many technically-trained enlisted personnel declined to re-enlist (a) in 1958-59; (b) in 1959-60?
4. How many made other arrangements for discharge from the service?

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): The answer to part 1 is (a) 11; (b) 10.

The answer to part 2 is (a) $816,000; (b) $736,000.

The answer to part 3 is (a) 584; (b) 662.

The answer to part 4 is in 1958-59, 41; in 1959-60, 59.

STREET LETTER MAIL BOX SERVICE CONTRACT, CHATHAM, N.B.

Question No. 139—**Mr. McWilliam:**

1. On what date was the first contract awarded to the present contractor for the Chatham and street letter mail boxes service, Chatham, New Brunswick, and for what amount?
2. Was this contract renewed? If so, on what dates and for what periods?
3. Were public tenders called for this service any time after termination date of the first contract? If so, on what dates?
4. Was this tender renewed by negotiations with the contractor? If so, what were the agreed amounts, in each case?

Hon. W. M. Hamilton (Postmaster General): The answers are as follows:

1. October 1, 1950; $1,080 per annum.

2. No. A new contract was drawn, effective September 8, 1952, deleting service between the Chatham railway station and the Chatham post office. This contract was renewed without tenders in 1956 for a further period of four years expiring June 30, 1960.

Starred Questions

3. Yes. Tenders were called on May 2, 1960, to close June 3, 1960.

4. No.

TEACHERS' ISOLATION ALLOWANCES, INDIAN SCHOOLS, NORTHERN ONT.

Question No. 140—**Mr. Benidickson:**

1. Are isolation allowances paid to teachers at Indian day schools at Sandy Lake and Deer Lake in northern Ontario?
2. If not, for what reason?
3. How far are these locations from the most northern (a) railway; (b) highway?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The answers are as follows:

1. No.

2. Sandy Lake and Deer Lake were not listed as isolated posts in the isolated posts regulations issued in June, 1958. However, as a result of recent amendments to these regulations these two locations are now classed as isolated posts. When the teachers were appointed to positions at Sandy Lake and Deer Lake in September, 1959, it was stated in their terms of employment that no isolation allowance was payable. Teachers employed by the department are considered under contract; therefore no revision of pay and allowances is made during any contract period. However, in the case of these teachers the present contract period expires in August, 1960, and commencing with the new contract period in September, 1960 they will be eligible for both isolation allowance and living allowance.

3. Sandy Lake is about 200 air miles from the nearest railway at Sioux Lookout and about 120 air miles from Red Lake. Deer Lake is approximately 200 air miles from the nearest railway at Sioux Lookout and approximately 100 air miles from Red Lake.

Mr. Benidickson: Shameful neglect.

UNEMPLOYMENT INSURANCE INVESTMENTS AND BORROWINGS

Question No. 141—**Mr. Benidickson:**

1. (a) What was the aggregate book value and principal amount of investments held by the unemployment insurance commission as of March 31, 1960? (b) what was the book value, principal amount, rate of interest and date of maturity of each of the investments held by the unemployment insurance commission as of March 31, 1960? (c) what change occurred in the position of each of these investments for each month since March 31, 1959?
2. Has the unemployment insurance fund made any borrowings since March 31, 1959? If so, what amounts, on what dates, and at what rate of interest?

[Mr. Hamilton (Notre Dame de Grace).]

Hon. Michael Starr (Minister of Labour): Mr. Speaker, this starred question requires a detailed reply, and I would ask that the hon. member agree to have it made an order for return.

Mr. Martin (Essex East): If there is no delay.

Mr. Benidickson: I hope it will not be neglected.

Mr. Starr: They never are when I have to answer.

Mr. Chevrier: I have waited several months in one instance.

Mr. Speaker: Order for return.

TEACHERS' ISOLATION ALLOWANCES, INDIAN SCHOOLS, NORTHERN ONT.

Question No. 142—**Mr. Benidickson:**

1. Does the government pay isolation allowances to teachers at Indian day schools at locations situated on a railroad, such as at Moosonee, Ontario, and, if so, how much?
2. When was a day school established at Pikangikum, Ontario?
3. How far is this school from (a) the nearest northern railway; (b) the nearest highway?
4. Has an isolation allowance been paid to the teacher at the Indian school at Pikangikum, Ontario?
5. If not, is it the intention of the Indian affairs branch to pay an isolation allowance to the teacher retroactively to time of engagement, and, if not, for what reason?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The answers are as follows:

1. Yes, if designated as an isolated post under the isolated posts regulations. Moosonee has been designated an isolated post; an isolation allowance of $1,140 per annum for a married employee and $720 per annum for a single employee is payable.

2. The day school at Pikangikum has been operating since 1953. In addition, since 1949 a seasonal school has been operated during the summer months.

3. Pikangikum Indian day school is approximately 140 air miles from the railway station at Sioux Lookout, Ontario, which is believed to be the nearest, and approximately 56 air miles from the nearest road connection at Red Lake, Ontario.

4. No.

5. Pikangikum was not listed as an isolated post in the isolated post regulations issued in June, 1958. However, as a result of recent amendments to these regulations this location is now classed as an isolated post. When the teacher was appointed at Pikangikum on January 1, 1959 it was stated in the terms of employment that no isolation allowance was

payable. Teachers employed by the department are considered under contract; therefore no revision of pay and allowance is made during any contract period. However, in this case the present contract period expires in August 1960, and commencing with the new contract period in September, 1960 the teacher at Pikangikum will be eligible for both the isolation allowance and living allowance.

SKILLED LABOUR—ADVERTISING IN U.K.

Question No. 143—**Mr. Winch:**

1. Has the Department of Citizenship and Immigration done any advertising in the British isles in the past six months inviting immigrants to Canada and outlining employment opportunities in the construction industry, in such trades as carpenters, plumbers, electricians and painters?

2. If so, has the department had any consultation with the national employment service or the unemployment insurance commission as to the availability of persons trained in these trades now resident in Canada?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The answer to the first part of this question is yes and the answer to the second part is yes.

COAL SUBVENTION PAYMENTS, NOVA SCOTIA AND NEW BRUNSWICK

Question No. 145—**Mr. Batten:**

What was the total expenditure for transportation subventions on coal in (i) Nova Scotia; (ii) New Brunswick, for the periods (a) April 1, 1935, to March 31, 1957; (b) from April 1, 1957, to March 31, 1960?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, there could be a problem in the wording of this question. Coal subventions are not, generally speaking, paid in a specific province, although they are paid on behalf of coal from that province. This has been drawn to the attention of the hon. member for Humber-St. George's, and I am assured that the figures he wants are the total amounts paid on behalf of Nova Scotia coal and New Brunswick coal during the periods indicated. He has kindly offered to withdraw the question and reword it, but I do not think this is necessary.

With this clarification, the answer to (i) (a) is that subvention expenditures on Nova Scotia coal from April 1, 1935 to March 31, 1957 totalled $66,437,765.54.

The answer to (i) (b) is that subvention expenditures on Nova Scotia coal from April 1, 1957 to March 31, 1960 totalled $28,302,797.86.

The answer to (ii) (a) is that subvention expenditures on New Brunswick coal from April 1, 1935 to March 31, 1957 totalled $491,434.92.

79951-0—238½

Starred Questions

The answer to (ii) (b) is that subvention expenditures on New Brunswick coal from April 1, 1957 to March 31, 1960 totalled $572,188.96.

C.B.C. REPRESENTATIVES, PRESS GALLERY

Question No. 146—**Mr. Cardin:**

1. Does the Canadian Broadcasting Corporation have representatives in the parliamentary press gallery acting in the capacity of qualified radio and T.V. reporters of parliamentary news on the English and French networks?

2. If so, what are the names of the representatives and when were they appointed to their present posts?

3. What is the annual cost of the permanent Canadian Broadcasting Corporation representatives covering parliamentary news?

4. Since January 14, 1960, has anyone other than the permanent Canadian Broadcasting Corporation representatives acted as parliamentary reporter or interviewer on the news broadcast of the English network?

5. If so, what were (a) the names of the substitutes; (b) the reasons for not using the services of the permanent Canadian Broadcasting Corporation representative; (c) the additional costs to the Canadian Broadcasting Corporation in each case?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, this is a five-part question, and the answers are as follows:

1. Yes.

2. Norman DePoe, on temporary assignment as national affairs reporter since January 11, 1960; Tom Earle and Philip Calder, for English; Claude Paulette, French. The latter three have been accredited to the press gallery since April, 1959.

3. Estimated cost $80,000 for all purposes of national coverage, including salaries, etc.

4. No, apart from Mr. DePoe whose permanent appointment is pending.

5. Not applicable.

C.B.C. PARLIAMENTARY REPORTERS, FRENCH NETWORK

Question No. 147—**Mr. Cardin:**

1. Since January 14, 1960, has anyone other than the permanent Canadian Broadcasting Corporation representative acted as parliamentary reporter or interviewer on the news broadcast of the French network?

2. If so, what were (a) the names of the substitutes; (b) the reasons for not using the services of the permanent Canadian Broadcasting Corporation representative; (c) the additional costs to the Canadian Broadcasting Corporation in each case?

3. On March 31, 1960, was a Canadian Broadcasting Corporation representative for Montreal sent to Ottawa for the T.V. coverage of the budget speech, and if so, (a) for what reason? (b) what was the overall additional cost to the Canadian Broadcasting Corporation in bringing such representative from Montreal?

4. Are the functions and status of the Canadian Broadcasting Corporation parliamentary representatives of the French T.V. network comparable to

those of the Canadian Broadcasting Corporation representatives of the English T.V. network? If not, for what reason?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): This is a four-part question and the answers are as follows:

1. Yes.

2. Clement Brown, Jean Grand-Landau, Jean-Marc Poliquin. These gentlemen have been used because of their parliamentary experience and presentation abilities, and to take care of work load. Additional cost totals $2,000 in freelance fees.

3. Yes, a staff man, who is used because of his wide reporting experience. No extra cost except for travel and per diem allowance.

4. Yes, but a senior position of national affairs reporter, French, remains to be filled.

GEORGIAN BAY AIRCRAFT LTD.

Question No. 148—**Mr. Chevrier:**

1. Did Georgian Bay Aircraft Limited apply for a class 4 charter commercial air service (with group C aircraft)?
2. If so, on what date?
3. With what type of aircraft?
4. From what bases?
5. Was the application granted?
6. If so, on what date?
7. By virtue of what authority?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the answer to part 1 is yes.

With regard to parts 2, 3 and 4, Georgian Bay Airways Limited applied to the air transport board on October 17, 1958 for a licence to operate a class 4 group C charter commercial air service from a base at Belleterre, Quebec, and on April 27, 1959, applied for licences to operate class 4 group C charter commercial air services proposing to use aircraft of the Cessna 180 type from bases at Fort George, Quebec, South Porcupine and Moose Factory, Ontario.

With respect to parts 5, 6 and 7, the application in respect of Belleterre was granted by board decision, serial No. 1241, dated March 10, 1959, and the application in respect of South Porcupine was granted by board decision, serial No. 1272, dated May 21, 1959, both pursuant to government policy with respect to the licensing of services to be operated with small light aircraft in the group C category.

Question No. 149—**Mr. Chevrier:**

1. Did Georgian Bay Aircraft Limited apply for a class 4 chapter commercial air service (with group B aircraft) to the air transport board?
2. If so, was a public hearing held?
3. Where and on what date?
4. What was the decision of the air transport board?

[Mr. Cardin.]

5. Did Georgian Bay Aircraft Limited make a new application for the same service following the decision of the board?
6. If so, on what date?
7. Was the application granted?
8. If so, on what ground?

Hon. George H. Hees (Minister of Transport): In reply to part 1, Georgian Bay Airways Limited initially applied to the air transport board on April 27, 1959 for licences to operate class 4 charter commercial air services with group B aircraft from bases at Fort George, P.Q., and South Porcupine, Ontario.

With respect to parts 2, 3 and 4 of the question, a public hearing was held by the air transport board at Timmins, Ontario, on October 15, 1959, and the board, by decision serial No. 1359 dated December 1, 1959, denied the applications.

In reply to parts 5, 6 and 7, Georgian Bay Airways Limited reapplied to the board on December 21, 1959, for authority to operate charter services with groups B and C aircraft from bases at Moose Factory, Ontario, and Fort George, P.Q., and with group B aircraft in addition to group C from a base at South Porcupine, Ontario. The applications were granted by board decision serial No. 1370 dated January 21, 1960.

With respect to part 8, they were granted in accordance with government policy in respect of the licensing of services to be operated by aircraft in the groups B and C categories.

Question No. 150—**Mr. Chevrier:**

1. Who supported the application of Georgian Bay Aircraft Limited for class 4 charter commercial air services (with group B aircraft)?
2. Who opposed the application?

Hon. George H. Hees (Minister of Transport): With regard to part 1 of this question, may I say that as the list is quite lengthy, perhaps the house would agree that it could be printed without being read.

Some hon. Members: Agreed.

Mr. Hees: The answer to part 2 is Austin Airways Limited.

Mr. Speaker: Has the minister leave to have printed that part of his answer which he did not read?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

James Bay Goose Club Ltd.
The Porcupine Chamber of Commerce, Timmins.
Timmins Bon Marche Ltd.
Nick Bren, Timmins.
Mrs. M. V. Charbonneau, Timmins.
Dome Mines Ltd., South Porcupine.

Rudolph-McChesney Lumber Co. Ltd.,Timmins.
D. H. Wigston, O.D., Timmins.
Ostrosser and Company.
Timmins Glass Shop.
H. W. O'Gorman.
Louis Degilie, Timmins.
Robert F. Allen, Timmins.
E. D. Dobson, Timmins.
Schumacher Hardware and Furniture.
John J. Regan, Timmins.
T. A. Richardson & Co., Timmins.
Tri-Town Motors Ltd., Timmins.
J. W. Spooner, Minister of Lands and Forests, Toronto.
Corporation of the town of Timmins.
Superintendent of Anglican church Indian school administration, Ottawa.
Missionaries at Attawapiskat and Fort George.
R. Hancock, Great Whale River.
Town of Timmins industrial commission.
Gordon Aiken, M.P.
V. M. Gren, superintendent of the James Bay Indian agency at Moose Factory.
D. A. Wilderspin, manager of the James Bay district of Hudson's Bay Company.
Missionaries at Moosonee, Eastmain, Rupert House, Albany and Old Factory.
Phelps Dodge Construction Corporation of Canada Ltd., Toronto.
Dr. Moore, Indian and northern health services.
W. G. Penny, Hudson's Bay Co. manager at Great Whale River.
L. R. Berry, field engineer for Joburke Gold Mines Ltd.
J. A. Cousineau, notary, Timmins.
A. Bergeron, Timmins.

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNEMPLOYMENT INSURANCE INVESTMENTS AND BORROWINGS

Question No. 141—**Mr. Benidickson:**

1. (a) what was the aggregate book value and principal amount of investments held by the unemployment insurance commission as of March 31, 1960? (b) what was the book value, principal amount, rate of interest and date of maturity of each of the investments held by the unemployment insurance commission as of March 31, 1960? (c) what change occurred in the position of each of these investments for each month since March 31, 1959?

2. Has the unemployment insurance fund made any borrowings since March 31, 1959? If so, what amounts, on what dates, and at what rate of interest?

LABOUR FORCE TURNOVER, NAVAL ARSENALS

Question No. 350—**Mr. Peters:**

1. What is the annual labour force turnover in percentages in the four Canadian naval arsenals, Renous, New Brunswick, Bedford, Nova Scotia, Kamloops and Rocky Point, British Columbia?

2. What is the annual percentage of turnover in each arsenal for the years 1955, 1956, 1957, 1958 and 1959?

3. What percentage of turnover of the labour forces for all departments is considered normal?

MOTION FOR PAPERS

ANNA BADMAN, VANCOUVER—BAIL REFUND

Motion No. 94—**Mr. Howard:**

For a copy of all correspondence, telegrams or other documents received by the government or any department or agency thereof since January 1, 1957, dealing with the refunding of estreated bail to Mrs. Anna Badman of Vancouver, British Columbia.

Hon. E. D. Fulton (Minister of Justice): This motion deals with correspondence, telegrams or other documents received by the government in respect of a matter involving consideration of the exercise of the powers of remission, which are exercisable under the prerogative of mercy.

As I explained to the house on May 2, documents of this type are by consistent policy not produced. In the course of consideration of such matters as are involved here, considerable correspondence is normally exchanged, and communications are received by way of letters and reports which often are confidential reports on the person who is the subject of inquiry, including police reports. The entire files are therefore regarded as confidential, since to produce such correspondence and documents would destroy the confidential nature of the exchange and deprive us of the benefit of having an unrestricted expression of views on the matter in question.

For this and other reasons it has always been considered contrary to public policy to produce material such as that asked for in this motion. However, I have indicated to the hon. gentleman, and should like to repeat here, that if it will be of assistance to him I will be prepared to show him the files personally in order that he may satisfy himself that there is nothing improper or unusual in any of the correspondence that is here. In such circumstances I would hope that he might agree to withdraw the motion.

Mr. Speaker: Is the hon. member willing in the circumstances to withdraw the motion?

Mr. Howard: I think I cannot do so, Mr. Speaker, because the minister has already answered a question asked by the hon. member for Ottawa West (Mr. McIlraith) in which he gave certain information. The motion in effect asks for additional information related to some individuals whose names are given in the answer.

Mr. Speaker: Is the house ready for the question?

Division

Some hon. Members: Question.

The house divided on the motion (Mr. Howard) which was negatived on the following division:

YEAS

Messrs:

Argue
Badanai
Batten
Benidickson
Boulanger
Bourget
Bourque
Cardin
Caron
Carter
Chevrier
Crestohl
Deschatelets
Dumas
Dupuis
Eudes
Fisher
Forgie
Granger
Habel
Hellyer
Herridge
Howard
Leduc
Lessard
Loiselle
McIlraith
McMillan
McWilliam
Martin (Essex East)
Martin (Timmins)
Meunier
Mitchell
Peters
Pickersgill
Racine
Ratelle
Regier
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Rouleau
Tardif
Winch—44.

NAYS

Messrs:

Aiken
Aitken, Miss
Anderson
Asselin
Balcer
Baldwin
Barrington
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bigg
Bissonnette
Bourbonnais
Brooks
Broome
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Casselman, Mrs.
Cathers
Chambers
Charlton
Chown
Churchill
Clancy
Comtois
Cooper
Crouse
Danforth
Dinsdale
Dorion
Doucett
Drouin
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Forbes
Fortin
Fraser
Frechette
Fulton
Grafftey
Green
Grills
Gundlock
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hanbidge
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Howe
Johnson
Jones
Jorgenson
Jung
Kennedy
Knowles
Lambert
Latour
Legere
Lennard
Macdonnell
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
Macquarrie
MacRae
McDonald (Hamilton South)
McFarlane
McGee
McIntosh
McLennan
McPhillips
McQuillan
Mandziuk
Martineau
Martini
Matthews
Monteith (Perth)
Monteith (Verdun)
Montgomery
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Murphy
Nesbitt
Nielsen
Noble
Nugent
O'Hurley
O'Leary
Pallett
Parizeau
Pascoe
Payne
Pearkes
Phillips
Pigeon
Rapp
Regnier
Ricard
Rogers
Rompre
Simpson
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Stanton
Starr
Stearns
Stefanson
Stewart
Tassé
Thompson
Thrasher
Tremblay
Villeneuve
Vivian
Walker
Webb
White
Winkler
Wratten—145.

[Mr. Speaker.]

IMMIGRATION

ANNOUNCEMENT OF AMENDMENT TO REGULATIONS RESPECTING FIANCEES

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, may I ask permission to revert to motions to make an announcement?

Mr. Speaker: Has the minister permission to revert to motions to make an announcement?

Some hon. Members: Agreed.

Mrs. Fairclough: I wish to make an announcement with reference to an amendment to the immigration regulations as they affect the admission of fiancees. Heretofore the fiancee of a Canadian citizen or of a person admitted to Canada for permanent residence was admitted as an immigrant on the condition that he or she would marry the sponsoring fiancee within 30 days following arrival in Canada.

In future fiancees will be allowed entry as non-immigrants under the authority of a minister's permit issued under section 8 of the Immigration Act. Admission for permanent residence will be granted only after they have married.

The effect of this amendment is to provide more flexibility for the handling of fiancee applications and to expedite the granting of permanent residence to fiancees once they have become legally married.

Mr. Jung: May I ask a supplementary question of the minister. In view of the announcement just made by the minister, can she inform the house whether this applies—

Mr. Pickersgill: Are we on orders of the day?

Mr. Speaker: Order. Will the hon. member reserve his questions for the orders of the day?

Mr. H. W. Herridge (Kootenay West): I should like to say in reply to the announcement that we are awfully pleased to recognize the ameliorating influence of the opposition on the minister.

[*Later:*]

On the orders of the day:

Mr. Douglas Jung (Vancouver Centre): I should like to direct a question to the Minister of Citizenship and Immigration. I apologize for having tried to ask this question when I did. I am sure the house will forgive me when I say that I momentarily forgot the rules of procedure because of an event which happened yesterday afternoon, namely the birth of twins to my wife.

Some hon. Members: Hear, hear.

Mr. Speaker: The hon. member is forgiven for seeing double today.

Mr. Jung: My question is, in view of the announcement just made by the Minister of Citizenship and Immigration regarding the relaxation of the immigration rules regarding fiancees, can the minister inform the house whether this amendment will also apply to Chinese and Japanese fiancees, and whether it now will be still necessary for sponsors of Chinese and Japanese fiancees to post a $1,000 bond when submitting their applications?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The answer is yes, it does apply; and the posting of the bond will now not be necessary.

NATIONAL DEFENCE

FLIGHTS OF U.S. PLANES OVER CANADIAN TERRITORY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of National Defence. Is it a fact that United States U-2 planes have made a series of weather flights over Canada? If so, were such flights made as the result of special arrangements with the Canadian government, which preclude using Canadian bases as take-off points for flights to the Soviet union?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, in answering that question perhaps I can deal with the points raised in one or two related questions, particularly in view of the fact that there was in this morning's *Globe and Mail* a rather startling headline, "Spy Type of Planes Fly From Canada".

No such planes have ever operated from a Canadian air base. That was made clear by the Minister of National Defence (Mr. Pearkes) in a statement which he issued yesterday afternoon, and it has also been confirmed in Washington today by Mr. Lincoln White as spokesman for the state department. Furthermore, no such plane as the plane described here as a spy type has ever landed in Canada. Apparently the main type of U-2 plane is one which is designed for high flying, and is used for meteorological and radiological sampling. Such planes carry United States air force markings and are flown by United States air force pilots, neither of which fact pertains in the case of the plane which came down in the Soviet union.

One of the planes which is used for meteorological and radiological sampling made a forced landing north of Prince Albert on March 15, 1960. It was on a routine flight, the purpose of which was upper atmosphere meteorological and radiological sampling. It was returning from a point over Liverpool bay near the mouth of the Mackenzie river, and had not proceeded beyond North American air space. The flight in question was one of a series of scientific flights to obtain precise information about clear air turbulence, upper air cloud formations, jet streams and radiation in the upper atmosphere. The aircraft have been unarmed and all flights have been cleared in the normal manner. This is not only a matter of the planes being cleared and flight plans being filed, but also the making of reports during flight and when the plane returns to the United States.

As I have said, one such plane crashed north of Prince Albert on March 15, 1960. There is no question about its bona fides in the case, that it was such a plane and not one engaged in flying over the territory of any other country. I am further informed that these particular U-2 planes do not have the flight range to be able to fly from the United States over Canada and thence over Soviet territory.

I am very glad to have the opportunity to deal with this question this afternoon, because now if ever is the time for cool heads both in the east and in the west. As I pointed out on Monday the aim of the government, and the aim, I am sure, of every member of the

house, is to bring about a reduction of tension and eventually complete disarmament. Stories of this kind do not help very much in attaining these objectives.

Hon. Paul Martin (Essex East): I should like to ask a supplementary question. If the Secretary of State for External Affairs takes the position that the foreign minister of the United Kingdom has taken and refuses to answer any questions having to do with intelligence, I will understand. Will he say whether he can comment on the existence of any other form of intended intelligence on the part of the Soviet union other than by airplanes; for instance, submarines?

Mr. Green: Mr. Speaker, I do not think it would be very helpful for me to reply to a question of that kind.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I have a supplementary question. I noted that the Secretary of State for External Affairs had in his hand, as I have, a copy of the front page of today's *Globe and Mail* and he was very vehement about certain interpretations there contained.

Some hon. Members: Question.

Mr. Benidickson: Based on the same page of the *Globe and Mail,* I should like to address a question to the parliamentary secretary to the Minister of National Revenue. All of us noted—

Some hon. Members: Question.

Mr. Benidickson: Well, will the parliamentary secretary to the Minister of National Revenue take up with the Canadian Broadcasting Corporation the playing down of this prominent article on the front page of the *Globe and Mail,* when on the eight o'clock news broadcast from Toronto use is invariably made of this page as the chief source of information for the broadcast? Was there some intimation from the ministry to the C.B.C. that this matter should be played down this morning?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, I am not aware of either of the suppositions made by the hon. member in his question.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO EXTENSION OF SEASONAL BENEFITS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to address a question to the Minister of Labour. Inasmuch as seasonal benefits for the unemployed come to an end this coming Sunday, May 15, can the minister advise the house whether any plans have now been prepared to take care of those who will come off benefits this coming Sunday and who are still unemployed?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I explained this whole situation to the hon. member in answer to one of his questions last week, I believe. I pointed out that seasonal benefits formally ended on April 15, and that those employed in seasonal work are now on seasonal benefits for an additional month.

Mr. Winch: May I ask a supplementary question. As there are thousands who are not going back to employment, what care is going to be taken of them?

Mr. Speaker: Order. The hon. member will recall that, as the minister indicated, there was a similar question and exchange about a week ago. I am sure the hon. member does not expect a question of that kind to be dealt with in an oral answer.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, a supplementary question, based on the fact that a delegation—

Mr. Speaker: It is a matter of declaring policy, and the government has a right to decide when it will declare its policy and not to have to do so in answer to a question.

Mr. Benidickson: I have a supplementary question for the Minister of Labour referring to the extension of seasonal unemployment benefits. I have a press release here which may be too terse, but which indicates that the minister has done something.

Some hon. Members: Order.

Mr. Benidickson: I am referring to a press report which, quoting the Minister of Labour, says that he has extended the period of seasonal unemployment insurance benefits. I want to ask the minister whether he has extended seasonal unemployment benefits without informing the house.

Mr. Starr: I think the hon. member has reference to what I said to a delegation yesterday morning. I did say that this government has extended seasonal benefits by two months, something that the former government resisted and would not do to help those in receipt of seasonal benefits. This government extended seasonal benefits by two months, and they are now in effect from December 1 to May 15.

Mr. Benidickson: Is there any new extension this year that has not been announced to the house?

Mr. Starr: This extension is new? It is two years old.

[*Later:*]

Mr. C. W. Carter (Burin-Burgeo): I should like to ask the Minister of Labour whether he would clarify a statement he made earlier today, when he said the government had extended unemployment benefits for two months. Did the minister mean that benefits had been extended or that the period during which benefits may be received had been extended? If so, what extension has been made to benefits, apart from the benefit period?

Mr. Speaker: Order. The hon. member knows that any extension of benefits is a matter for legislation in this house. What has been done, if it is not known to hon. members, can certainly be easily ascertained.

(Translation):

MONTREAL—REPORTED INSTRUCTIONS TO OFFICIALS RESPECTING UNEMPLOYED

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wish to direct a question to the Minister of Labour (Mr. Starr). Is it true that, as of tomorrow, by virtue of a decision reached by officers of his department, hundreds of unemployed will no longer be allowed to wait at the unemployment insurance offices in Montreal, and that those calling there to collect their benefits or apply for jobs will no longer be allowed to queue up outside the building?

(Text):

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the translation was not complete, and I am afraid I shall have to look at *Hansard* in order to answer the hon. member's question.

Mr. Johnson: You do not need to answer. He was making a statement.

Mr. Chevrier: The question was quite clear.

Mr. Starr: The translation was not complete.

Mr. Speaker: Order. I recognize the hon. member for Timmins.

Mr. Chevrier: May I put the question in the English language, since the minister felt that the translation system was not working properly?

Mr. Starr: I did not say that. I said the translation was not complete.

Mr. Chevrier: I accept the minister's correction; he says the translation was not complete. I wonder whether I might be allowed to ask the question in English, because I think it is in order. The question is whether it is a fact that a decision has been taken by the officers of the minister's department that beginning tomorrow the thousands of unemployed who have hitherto lined up before the offices of the unemployment insurance commission in Montreal will no longer be able to do so, and neither will they be allowed to stand in line in order to get their benefits under the Unemployment Insurance Act.

Mr. Starr: Mr. Speaker, if any instructions of that nature have gone out, then of course they have gone out on the direction of the unemployment insurance commissioners. I most certainly will look into the matter and see whether that is true.

INTERNATIONAL TRADE FAIR

NEW YORK—REPORTED NON-PARTICIPATION BY CANADA

On the orders of the day:

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. Is the minister aware that among the 66 countries showing exhibits at the United States world fair in New York there is no Canadian pavilion, no tourist promotion booth and no Canadian products are individually displayed; and that all this was reported in a Canadian Press dispatch from New York several days ago? Has the minister any comment?

Hon. Gordon Churchill (Minister of Trade and Commerce): The answer, Mr. Speaker, is that we are not in a position to exhibit at every trade fair that takes place in other countries. We exhibit at a very large number of them. The expenditure—I am calling on my memory now—is close to half a million dollars for government participation in assisting businessmen who are exhibiting at trade fairs.

This matter can be discussed when the estimates of trade and commerce are before the house. We can discuss the number of trade fairs in which we are interested and in which we participate. Trade fairs are going on in almost every country of the world, and we simply cannot take part in all of them. We are doing a great piece of active work in exhibiting at trade fairs, and the results have been highly satisfactory. The ideal home exhibition in London was one of the best examples of Canadian exhibits at a fair.

If the hon. member wishes to propose, when the estimates of trade and commerce are before the house, that we should expend more money on trade fairs I will perhaps support him.

Inquiries of the Ministry

UNITED NATIONS

SUGGESTED ESTABLISHMENT OF FUND FOR AFRICAN DEVELOPMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): In view of the renewed interest in economic assistance to the nations of Africa, I wonder whether the minister could add anything to an answer he gave me on March 9, when I asked him whether the Canadian government had discussed with the secretary general of the United Nations his proposal for an African development fund. At that time the minister said he had not had an opportunity of discussing this question with the United Nations secretary general, and I wondered if there had been any discussions between Canada and the secretary general of the United Nations on the establishment of such a fund.

Hon. Howard C. Green (Secretary of State for External Affairs): I do not believe there has been, but I shall make inquiries and give the hon. member a further answer at a later date.

Mr. H. W. Herridge (Kootenay West): There is a supplementary question from the supernumerary, but before asking it I must say that this group appreciated very much the reply given by the minister to the question asked by the hon. member for Laurier with respect to United States air force planes leaving and landing in Canada. I agree with him that we all have to do the best we can to work together to create the best possible atmosphere for the summit conference.

Knowing the minister's high regard—

Some hon. Members: Question, question.

Mr. Herridge: I am coming to the question—and appreciation for exactitude, may I say that my question is—

An hon. Member: Oh, ask it.

Mr. Herridge: —some time ago the *Globe and Mail* mentioned that the Prime Minister was responsible for the aid to Africa program through the establishment of a commonwealth fund. Has his attention been drawn to this morning's *Globe and Mail* which now states the plan—

Mr. Speaker: Order. The hon. member has taken enough time now to ask a number of questions. I wonder if he could come to the point and ask his question.

Mr. Herridge: I am just about to do so. In view of the previous report that the Prime Minister of Canada had originated the aid to Africa program, and the fact that today's *Globe and Mail* says that Mr. Nkrumah originated it, would the minister mind informing the house which is the correct version?

Mr. Green: I am sure the hon. member is not trying to take any credit away from Canada.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Is it not a fact that the proposal for a fund to assist Africa was not made by the Prime Minister of Canada but by the prime minister of Ghana?

Mr. Green: I am surprised that the hon. member is trying to take the credit away from Canada.

Mr. Argue: Is the minister aware of the fact that I proposed this on March 9?

BUSINESS OF THE HOUSE

UNEMPLOYMENT—SUGGESTED INVESTIGATION BY JOINT COMMITTEE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Labour whether, in the light of the action forecast in another place, the government would consider asking this house to join with the other place in an inquiry having to do with exploring the possibilities of maintaining and extending a high level of employment and thereby—I am putting my own interpretation on it—reducing unemployment.

Hon. Michael Starr (Minister of Labour): From time to time in the past committees on other matters have been set up in the other place, and in most cases have served very useful purposes. This committee in the other place has been set up on the initiative of the other place. My feeling is that they will approach the matter without bias and perform a good service in respect of the subject being considered. Consequently I feel that the matter should be left in that position.

Mr. Pickersgill: A supplementary question—

Mr. Speaker: Order. I think the hon. member is inquiring into a matter of policy, not a matter of information or fact. He is asking the government to declare a policy with respect to the discussion of this matter.

Mr. Pickersgill: On a point of order, sir; I was not asking the minister to declare any policy, I was asking if the government would ask this house to join in an inquiry. I should like to ask a supplementary question of the minister, and it is this. Does he suggest that the members in this house who represent the people will approach that question with bias?

An hon. Member: You would.

Mr. Speaker: This is one of those questions which make an assertion rather than asking a question. I will permit an answer if the minister can give a factual answer to such a question.

Mr. Starr: I did not imply that at all, but evidently the conscience of the hon. member for Bonavista-Twillingate bothers him in that respect.

COMBINES INVESTIGATION ACT—REQUEST FOR REVIEW OF PROPOSED AMENDMENTS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask the Minister of Justice whether he will review the proposed amendments in Bill No. C-58, that is the bill relating to the Combines Investigation Act, in order to determine whether the proposed amendments are incomplete; and if so would he withdraw the bill and resubmit it?

Mr. Speaker: Surely the proper time to discuss a matter that is on the order paper is when it is called.

FINANCE

REQUEST FOR AID TO MUNICIPALITIES RESPECTING UNEMPLOYMENT ASSISTANCE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to ask the Minister of Finance if he can advise the house whether any consideration is being given to the provision of financial aid to municipalities which, after May 15, will have to assume heavily increased commitments for welfare because unemployment seasonal benefits end on that date.

Hon. Donald M. Fleming (Minister of Finance): I think the hon. member must be aware that provision has been made by parliament, at the request of the present government, for the sharing with the provinces of unemployment assistance on an equal basis, without any of the threshold provisions that limited that kind of aid under the former government. He must be aware also that very extensive provision has been made through the large grants under the Federal-Provincial Tax-Sharing Arrangements Act for the assistance of the provinces and, through them, the municipalities.

Mr. Winch: I have a supplementary question. I think the minister misunderstood me. I am completely aware of the commitments of the federal government and of the 50-50 arrangement between the federal government and provincial governments with regard to the care of the employable unemployed. But in view of the situation which arises on May 15 may I ask—

Mr. Speaker: Order. I have already intervened when the hon. member was asking a supplementary question of a similar character. I fail to see how any good purpose can be served by trying to debate a matter of policy of this kind on orders of the day.

Mr. Winch: I am not debating. I want to ask a question.

Mr. Speaker: I am sorry, but I must ask the hon. member to resume his seat.

INDUSTRY

SMALL CARS—INQUIRY AS TO TREASURY BOARD DIRECTIVE RESPECTING GOVERNMENT PURCHASES

On the orders of the day:

Hon. Paul Martin (Essex East): I wish to direct a question to the Minister of Finance. Will the minister say whether a directive has been issued by the treasury board or any other government body instructing departments of the Canadian government to buy small cars instead of big ones? I am asking this question because of the serious unemployment problem that confronts the automobile industry.

Hon. Donald M. Fleming (Minister of Finance): No, Mr. Speaker.

Mr. Martin (Essex East): Is the minister not going to answer the question?

Mr. Fleming (Eglinton): I said no, sir.

Mr. Speaker: I recognize the hon. member for Burin-Burgeo.

Mr. Martin (Essex East): Is the minister not—

Mr. Speaker: I just recognized the hon. member for Burin-Burgeo.

Mr. Martin (Essex East): I should like to ask a supplementary question of the Minister of Finance. In view of the fact that the minister has said that he is not aware of such a direction, will he not take notice of a statement in today's *Globe and Mail* attributed to the deputy minister and saying that such a direction exists? Will the minister see that the direction is negated at once, because obviously it is at serious variance with the interests of Canadian workers.

Mr. Fleming (Eglinton): Some day, Mr. Speaker, the hon. member will ask a question not accompanied by a speech or a harangue, but he has not learned to do so yet. He asked a question a moment ago, and I answered his question.

Mr. Chevrier: You have a lot to learn.

Mr. Fleming (Eglinton): I have not anything to learn from the hon. gentleman.

Mr. Chevrier: Yes, you have.

Mr. Fleming (Eglinton): I have not seen the newspaper report to which the hon. gentleman has referred. I will, of course, look at it. I attempt to keep in contact with what is done in the treasury board, but I do not profess to be in contact with every decision of every government board and every government department.

Mr. Martin (Essex East): Treasury board comes under you, and you should know.

Mr. Fleming (Eglinton): If it is something falling under the responsibility of the Minister of Finance, the hon. member can be assured that the Minister of Finance will be prepared to take his proper responsibility in that regard.

TRANSPORT

RADIO OPERATORS—SUGGESTED FAILURE OF TECHNICAL ASSISTANCE PROGRAM

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Labour. Can the minister tell the house why his technical assistance program has not resulted in the training of sufficient radio operators to meet the demands of the Department of Transport?

Mr. Grafftey: That is a statement not a question.

Mr. Speaker: The hon. member's question assumes a fact and asks for argument under it. I do not think the hon. member's question is within the proper scope of oral questions. If he has a matter of fact to inquire into I will permit him to do so.

Mr. Hellyer: On the point of order which you have raised, Mr. Speaker, may I say that it is not an assumption of fact. It is based on a fact which was given here by the government in answer to a starred question, the fact being that advertisements for radio operators had to be placed in the United Kingdom because there were not sufficient available here after advertisements had been issued for them.

Mr. Speaker: It seems to me the hon. member's question still asks for an expression of opinion on a set of facts which he asserts, and in that sense is likely to introduce an argument rather than to elicit information.

Mr. Hellyer: I want to know the reason.

Mr. Speaker: I recognize the hon. member for Timmins.

[Mr. Chevrier.]

FLOODS

TIMMINS, ONT.—REQUEST FOR FEDERAL FINANCIAL ASSISTANCE

On the orders of the day:

Mr. M. W. Martin (Timmins): I wish to direct a question to the Acting Prime Minister. In view of the severe flooding in Mount Joy township near Timmins, which has caused the Red Cross to declare it an emergency area, and in view of the fact that over 300 families have had to be evacuated from flooded homes, can the Acting Prime Minister say whether the government is giving consideration to some financial assistance, in conjunction with provincial and local authorities, for the maintenance and rehabilitation of the victims of this unfortunate disaster?

Hon. Howard C. Green (Acting Prime Minister): I am sure all members of the house have learned with a great deal of regret of this disaster in the Timmins area, and would wish to have sympathy extended to the people who are suffering. The regular course to follow in such cases where there is a national disaster is for the province to make an application. Of course, if such an application were made very careful consideration would be given to a request made by the province.

[*Later:*]

Mr. Martin (Timmins): Mr. Speaker, I would like to direct a question to the Minister of National Defence. In view of the imminent further danger of a major disaster if dams should give way on the Mattagami river above Timmins, could the minister say whether his department is prepared to supply assistance promptly to the area?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, the department would be prepared to provide assistance if a request came through the normal channel, which would be from the provincial government to the general officer commanding the area who is located at Oakville and who has the necessary resources available to render such assistance.

PUBLIC BUILDINGS

WINDSOR, ONT.—INQUIRY AS TO DELAY IN COMPLETION

On the orders of the day:

Mr. N. L. Spencer (Essex West): I should like to direct a question to the Minister of Public Works. There has been a delay in the completion of the public building at Windsor, and I am inquiring of the minister whether he is aware of this delay and whether he can give the house the reason for it?

Hon. D. J. Walker (Minister of Public Works): I want to congratulate the hon. member for Essex West on the assiduous manner in which he takes care of the interests of Windsor. In reply to his question I would say it was only last night that the construction company temporarily stopped operations on the new federal building there, owing to some problem in connection with partitioning. We hope that operations will recommence on Monday next.

Hon. Paul Martin (Essex East): Mr. Speaker, may I inquire of the minister whether he received my communication along the lines of the question put by the hon. member for Essex West?

Mr. Walker: Mr. Speaker, I was quite surprised that I did not receive any communication from the hon. member.

LABOUR CONDITIONS

INQUIRY AS TO AVAILABLE EMPLOYMENT OPPORTUNITIES

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I would like to direct a question to the Minister of Labour. Can the minister advise the house whether the national employment service has employment opportunities for carpenters, plumbers, electricians and painters and, if so, in what parts of Canada?

Mr. Speaker: Order. The inquiry is properly one for the order paper, unless the minister has the information at hand.

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker, I am afraid I have not.

SHIPPING

SMALL BOAT REGULATIONS—INQUIRY AS TO AMENDMENTS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I would like to direct a question to the Minister of Transport. Could the minister say what progress his department is making in developing licensing regulations for small craft, and whether his department have reached the stage where any amendments or new regulations will be introduced for this boating season.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I believe the progress we are making is very good and very satisfactory. I will speak to those in my department responsible for this matter and give the hon. member an answer tomorrow.

GRAIN

REPORTED INTENTION TO MAKE ADDITIONAL ACREAGE PAYMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I would like to direct a question to the Acting Prime Minister. Would he comment on a Canadian Press dispatch in the Regina *Leader-Post* of May 5, which states:

> The federal government intends to make another acreage payment to western grain farmers before the end of the year, an authoritative source said Wednesday.

I am wondering whether such decision has now been made.

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, any decision on this point will be announced in due course.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

ALTERNATIVE ARRANGEMENTS FOR UNIVERSITY GRANTS—EXTENSION OF INDIVIDUAL INCOME TAX RATE

The house resumed, from Tuesday, May 10, consideration in committee of Bill No. C-56, to amend the Federal-Provincial Tax-Sharing Arrangements Act—Mr. Fleming (Eglinton) —Mr. Flynn in the chair.

On clause 1—*Amendment of agreements.*

Mr. Pickersgill: Mr. Chairman, before you give your ruling, I had not intended to say anything on the point that was raised until the second intervention by the Minister of Finance, but it seemed to me—and I am not taking issue with that at all at the moment—that in his second intervention the minister assumed that the general discussion which Your Honour ruled would be in order had been completed. I simply wanted to point out Your Honour that there were a number of hon. members on this side of the house who wished to participate in that general discussion before we discuss the details of clause 1.

The Chairman: The point of order which was raised last night came about when the hon. member for Gatineau was speaking, and I took the view that his remarks at that time should be addressed to clause 2 of the bill when we came to examine that clause. The remarks which were made on that point of order revived the previous question of whether general debate could take place on clause 1 of the bill in committee. I have examined the question and I find that there are not many precedents or many very explicit decisions on the matter.

May I say first that if the practice has been to allow a general debate on clause 1 of a bill, it is not strictly in accordance with the rules because the procedure is to study in committee the bill clause by clause only. Of course, as all hon. members know, discussion in committee has to be strictly relevant. Therefore this is a practice which has grown over the years, but it has been indicated in some instances that this discussion should be of a particular nature.

Hon. members will realize that it is easier to say what it cannot be than what it can be. First, it cannot be the same as that which took place on second reading because we have to apply the rule of strict relevancy as provided by standing order 59, paragraph 2. It may not be the same, either, as that which takes place in the normal way when we discuss the bill clause by clause, because then we would be repetitive. I may say that I would have to object to any comments which would normally be addressed to the discussion of a clause, and that is the view I took when the hon. member for Gatineau was speaking.

As to what exactly can be discussed on clause 1, when we have a discussion in general terms, I should think that the nature of the bill might change the possibilities. When it is a new act comprising several clauses, I should think discussion on the general bill in general terms could refer, for instance, to the format or plan of the act or its drafting. By these remarks I do not want to limit the discussion to these points; I am just giving an example. On the other hand, an amending act may sometimes not offer the possibility of a very wide discussion on clause 1. In the present case, to me the general discussion provided on clause 1 would be rather limited.

I have accorded some latitude up to now, but if the remarks are directed to the way the bill is drafted in a particular clause—reference to some terms in a particular clause—I would think those remarks should be made when we come to the clause in question; otherwise we would have repetition. It is not my intention to prevent free discussion of the bill but simply to have as orderly a discussion as possible.

Mr. Chevrier: Mr. Chairman, yesterday when I was discussing clause 1 I made a number of points. There was one, however, which I had not had the opportunity of making and I did not want to insist upon additional time for making it. Then I abided by the wish of the committee to retire after I was given the opportunity to say a few words in conclusion.

[The Chairman.]

I do want now at this stage to reiterate another point and at the same time make a new point dealing with clause 1. I think your ruling will allow me to do it, but before I proceed I should like to draw your attention to clause 6, subsection 3, of the tax rental agreement which is now under discussion under clause 1 of this bill and which in effect allows the minister, with the approval of the governor in council, to enter into an agreement amending or extending the terms and conditions. If one looks at clause 1 he will see that about the middle of the clause now under discussion and toward the end reference is made to a province:

—described in subparagraph (ii) of paragraph (b) of subsection (1) of section 9A,—

This therefore brings into operation the words that were discussed last evening such as "in the opinion of the minister" and "in accordance with the terms and conditions," and so forth

I assure you, Mr. Chairman, I am not going to abuse that interpretation which I put on clause 1 because I do not intend to deal with the point I have in mind at any length, but I simply lay that as a basis to substantiate what I think is the position Your Honour took last evening and that which you are taking now.

The other matter which we on this side of the house feel is of great concern to us and which I am sure should be of concern to all hon. members of the committee but more particularly to hon. members from the province of Quebec is the attitude that is being taken or has been taken on this bill by the government of that province. Here I want to deal with the correspondence that was exchanged between the Prime Minister of Canada and the various premiers of the province of Quebec, correspondence which I say took some considerable time to be tabled because the notice of motion which I put on the order paper on a certain date was not returned until many months thereafter although I had on more than one occasion asked for the submission of the correspondence.

I believe this correspondence should be of great importance to the committee because neither in the correspondence nor any of the statements made did the Prime Minister of Canada at any time mention that the federal government would require that the arrangements between the province and the universities would have to be—and these words I place in quotation marks—"satisfactory in the opinion of the Minister of Finance," and that they would have to comply with the terms of the agreement made between the Minister of Finance and the Canadian universities foundation.

It is true, on the other hand, that the Prime Minister in the correspondence made it quite clear that the excess of the provincial tax over the $1.50 per capita would be deducted from equalization payments or any other payments due to the province. The premier of Quebec did not accept that condition at any stage in the exchange of correspondence which I should like to put on *Hansard*.

Mr. Fleming (Eglinton): Mr. Chairman, on a point of order, it is quite obvious that the hon. gentleman is doing the same thing as he did last night. He is proceeding now to discuss the provisions of clause 2 of the bill. The point the hon. gentleman is raising now is related to the provisions of clause 2 of the bill. It has nothing to do with clause 1.

Mr. Chevrier: Mr. Chairman, the only point I wish to make is that in view of your ruling it has been decided, I think, that there can be a general discussion. What I am dealing with is a general discussion of the clause but I have gone a step further and have said that clause 1 incorporates clause 2 when there is reference in the latter part of it to a province described in subparagraph (ii) of paragraph (b) of subsection (1) of section 9A. Therefore it is not possible to discuss this clause intelligently without reference to section 9A. I therefore submit with deference that on both counts—on the count that you yourself found there should not be prevented a general discussion of the clauses and on the count of the reference I have made to the special clause which I am not going to discuss in detail—I should be allowed to proceed.

The Chairman: I will allow the hon. member to continue for the time being. I must warn him, however, that later on when we come to clause 2 if I find out that his remarks now were directed to clause 2 I will not be able to let him repeat what he is now saying. Because the hon. member said he cannot discuss clause 1 without reference to clause 2 I will allow him to proceed for the time being.

Mr. Chevrier: If Your Honour rules me out in that respect, I will have no fault to find. I now wish to place on record the correspondence that took place between the Prime Minister and the premier. However, since this correspondence has taken place the premier of Quebec has stated on two different occasions—on one occasion in Montreal and on another in Joliette—that there was no understanding or agreement between his government and the federal government about the new arrangements provided in this bill.

In a letter sent by the Prime Minister of Canada to the premier of Quebec dated February 2, 1960 here is what was said, and I quote:

> My dear Prime Minister,
>
> I appreciate the constructive suggestions contained in your letter of January 21, and believe that they provide the basis for discussions which will assure agreement on the several aspects of grants to universities.
>
> I am glad to learn that your government agrees to the general principle for settlement of the problems and if further clarification is needed to secure agreement in detail—

I underline those words, "if further clarification is needed to secure agreement in detail". I continue:

> —I feel that the best course to adopt would be to have early discussions between representatives of the two governments. If you are agreeable to such discussions I shall name the Hon. Donald M. Fleming to represent the federal government, and I await your reply as to when such a meeting can be arranged.

A reply came from the premier of Quebec under date of February 5, 1960, the second paragraph of which reads as follows:

> The suggestion which you make that I should meet the Hon. Donald M. Fleming, acting as representative of the federal government, and the speed with which you have replied to my letter allow me, I presume, to anticipate that very soon you and I will be in a position to announce that the already expressed hope of a settlement regarding the grants to the universities has been realized.

I repeat:

> —to announce that the already expressed hope of a settlement regarding the grants to the universities has been realized.

Having said that, I hasten to add that we all know that the meeting between Mr. Barrette and the Minister of Finance took place but nothing transpired from the discussion. I asked the minister on the orders of the day in the house to make a statement in respect to this. If the minister wishes I have the questions and answers which I could place on the record. However, the minister refused to say anything. He said on that occasion, in effect, "wait until the bill and the resolution which is already on the order paper come before parliament and you will then see for yourself what is in that piece of legislation." There evidently comes to mind the question which is raised by this correspondence: Was there an agreement in detail secured at the meeting as the Prime Minister hoped in his letter? Thus far we do not know.

One thing is certain, however, and it is this. No announcement was made in that respect either by the Prime Minister of Canada or by the premier of Quebec save and except the announcement which was made by the Prime Minister outlining the terms under which this legislation would be brought forward many months ago, a part of which

I have already put on the record during the discussion of the resolution. Neither was there any announcement made or agreement reached, as stated by the premier of the province of Quebec in his letter.

The premier of Quebec on two occasions, I said, made it quite clear that no agreement and no understanding had been reached between his government and the federal government. Here I should like to put on record a statement appearing in *Le Devoir* of May 9, 1960, which can be found at page 6 and which reads as follows:

(Translation):

Mr. Barrette said that there was never any question of an agreement with Ottawa, but a decision taken by an autonomous government to settle a thorny problem. Thus, by proudly expressing our will, we finally succeeded in recovering for Quebec $10 million in taxes every year, and the $25 million lying dormant in Ottawa coffers.

We even got the federal government to admit that it will entirely vacate the field of education, thus finally winning out after years of struggle.

Mr. Tremblay: That is sheer nonsense.

(Text):

Mr. Chevrier: The statement made by the premier of Quebec, which appears in *Le Devoir* of April 20, 1960, at page 6:

(Translation):

Mr. Johnson: You have a good prompter.

Mr. Chevrier:

During last session, we passed seven measures for education. One of those acts raises from 9 to 10 per cent the tax on corporation profits and enables us to increase grants by $10 million. We hoped that the federal government would grant an equivalent exemption to corporations, but it was never a condition and there never was any agreement. The federal government has clearly recognized the right of the provinces and we were able to collect $10 million at no cost at all to Quebec taxpayers.

Now, listen to this:

... without entering into any agreement, and by an autonomous government.

So no agreement was entered into between the two governments.

(Text):

Therefore, the committee is entitled to know what took place at the meeting between Mr. Barrette and the Minister of Finance. In his letter which I quoted earlier Mr. Barrette said he hoped an agreement would be reached. That was before his meeting with the Minister of Finance. Now long after the meeting has taken place he says there has been no such agreement or no understanding reached with Ottawa. Hence we are entitled to know from the Minister of Finance what transpired at that meeting. Were the terms of this bill made known to the premier of the province of Quebec? What was the reaction to the terms? We have, of course, thus far the version given to us in this house by the Solicitor General who spoke on an earlier occasion. He told us what took place between the Quebec premier and the Minister of Finance. What he said is to be found at page 3286 of *Hansard* of April 26, 1960, and I quote:

(Translation):

A few days before his death, Mr. Duplessis stated that he would be in a position to submit, in October, a positive proposition to the ministers from Ottawa. It was the Hon. Paul Sauve who submitted that positive proposition. Federal ministers discussed it with Mr. Sauve and, at the time of his tragic death, only a few details remained to be worked out, which was done during a private interview between Mr. Antonio Barrette, Mr. Sauve's successor, and the Minister of Finance, sponsor of the bill which is now before us.

We have kept our word admirably, because Premier Barrette himself believes that this bill is consistent with the terms of Mr. Duplessis' proposal, which was submitted again by Mr. Sauve, and later by Mr. Barrette himself.

(Text):

According to the Solicitor General there was complete agreement between the Quebec premier and the Minister of Finance when they met in Quebec city and the Quebec premier accepted all the provisions of this bill. There is, therefore, a complete and direct contradiction between the Solicitor General on the one hand and Mr. Barrette on the other, and we on this side of the house, although we are entitled to know what the position is, do not know which of the two interpretations to accept. If we accept the interpretation given by the Solicitor General, who by the way was not at the meeting in Quebec, then it means that the Quebec premier has accepted the provision that the arrangements the province would make with the universities would have to be satisfactory in the opinion of the minister, as set out in this clause. I cannot believe for one moment that the premier of the province of Quebec, who poses as a great champion of provincial autonomy, has accepted this condition. It also means, if we accept the version of the Solicitor General, that the Quebec premier has accepted to become bound by the definitions to which I referred earlier of a university student, university level and university degree as determined by the Minister of Finance in his agreement with the Canadian universities foundation. Here again I cannot believe that the Quebec premier has accepted this condition, which is a serious limitation upon the sovereign right of the province guaranteed under our constitution.

Again, if we accept the Solicitor General's interpretation, it means that Mr. Barrette has accepted that a share of the provincial revenues would be deducted by the federal

government as a debt due Canada, as set out in the terms of this bill. Neither can I believe that—

Mr. Fleming (Eglinton): On a point of order, again we are having a repetition of the same thing as we had before and which is turning this discussion into, if I may say so, a very disorderly proceeding. The hon. member is referring to clause 2 all the time and he is discussing the specific provisions of clause 2. Now, what does this mean? It means that it will not be open to any hon. member in this house to correct the errors in which the hon. gentleman is now engaging without equally breaking the rules of the house.

It is one thing to permit a general discussion; it is a very different matter for the hon. gentleman, taking advantage of that cover, to proceed to discuss in detail the language in the specific provisions of clause 2. With great respect, Mr. Chairman, the hon. gentleman all the way through has just been taking licence and advantage of the rules of this house. I believe this licence has never been accorded to any hon. member before and it cannot be accorded to him without serious damage being done to the rules of this house and the rights of every hon. member.

Mr. Chevrier: If I may, I thought your ruling had been quite clear a while ago, but in case the Minister of Finance is not aware of the terms of his own bill I bring to his attention again, as I did earlier, that we are dealing with an amendment to clause 6 which has reference to tax rental agreements and that the last part of this brings into operation clause 9A, which is the second clause of this bill, parts of which I have been discussing not in detail but in general. I submit, sir, with deference, that I should be allowed to carry on.

I was at the point of saying, when I was interrupted, that neither could I believe that the Quebec premier—

Mr. Fleming (Eglinton): Mr. Chairman, before the hon. member goes on to slur over the point and pursue his cheery way, may I suggest again that the hon. member is not engaging in a general discussion; what he is doing is engaging in a specific discussion of the specific terms of clause 2 of the bill and, with great respect, I think he should not be permitted to break the rules of the house in that regard.

Mr. Chevrier: Could I be allowed one other comment? The minister, if he has no objection to what I am discussing, should, it seems to me, on the first clause allow it to be discussed. He rose repeatedly last night, as he is rising now, not on a serious point of order, it seems to me, but in order to stop the discussion. When we get to clause 2 the Minister of Finance will put forward another reason why, under clause 2, I cannot deal with the matters I am dealing with now. I know him too well. He is very proficient at raising points of order, but I submit again that I should be allowed to proceed because I am strictly within clause 1 in accordance with the ruling made by the Chair.

The Chairman: I have already expressed my views generally with respect to this matter. I am not convinced that the question the hon. member is now discussing, namely the existence or non-existence of an agreement between the premier of Quebec and the Minister of Finance, would be in order in the general discussion under clause 1.

Mr. Pickersgill: Would you hear argument on that point?

The Chairman: If the hon. member will permit me, I gave permission to the hon. member for Laurier to proceed after he explained that he could not discuss clause 1 without referring to clause 2. He may have strayed away a little from the ruling I gave but at the point he now is I assume he will soon complete his argument and I think we will save time by letting the hon. member finish.

Mr. Chevrier: The chairman is quite right. I had arrived at the point where I was about to conclude when the minister interrupted me. I was about to say that also on the third point could I believe that the premier of Quebec had accepted the condition contained therein. I want to add that if the account given by the Solicitor General does not correspond to the facts then we must accept the statements made by the Quebec premier as to what really did take place.

The only reference to federal action made by the Quebec premier has to do with the tax abatement of 1 per cent referred to in the letter I mentioned a moment ago, and this provision is not even in the bill. The Quebec premier has never referred to the condition contained in this bill. As far as the premier of Quebec is concerned, this bill does not exist. He says that no agreement, no understanding, has been reached with the federal government. Therefore if we accept his interpretation of the facts the federal government in introducing this bill is imposing a unilateral arrangement in a province that may well be unacceptable to that province. Because of the two contradictory interpretations of negotiations directly related to this bill given by the premier of Quebec and the Solicitor General, surely the house is entitled

to get from the Minister of Finance a complete and detailed statement of what transpired between the two men at the Quebec meeting.

(Translation):

Mr. Cardin: Mr. Chairman, I am convinced there is not a single person in this house, or in the province of Quebec or in the country, who is not genuinely happy to know that Quebec universities, just as universities in other provinces of Canada, will at long last be getting funds they really need to meet their financial obligations. That was the single and only purpose of the Liberal legislation on this subject since 1951. Yet it is precisely against the principle of federal grants to universities that the Quebec Conservatives in this house, and the Union Nationale, have been fighting the Liberals tooth and nail.

Mr. Chairman, may I point out to the house that the members who yesterday accused the Liberals of indulging in politics over this matter have never lived in the province of Quebec. So let me remind those hon. members and all their colleagues that for nine years the Conservative members and the Union Nationale have been calling the Liberals centralizers and charging them with violating the constitution; with—

The Chairman: Order. I am sorry to interrupt the hon. member. Perhaps his remarks were a preliminary to the problem he wants to discuss, but so far, he has not dealt with the bill itself; in fact, I would say the speech he has just made, specially for the last remarks, was completely unrelated to the bill. His speech was in the nature of those that may be made prior to the second reading of a bill. I would therefore ask him to deal generally with the terms of the bill before us.

Mr. Cardin: As you were saying, Mr. Chairman, my remarks were preliminary in nature. However, the purpose of my whole speech is to find out why it is now possible to reach an agreement with the province of Quebec for the benefit of universities, when such an agreement has always been rejected in the past.

It also seems to me there is a little bit of confusion in the recommendations, with all due respect to you, Mr. Chairman, about what is in order and what is not. My hon. friend for Laurier (Mr. Chevrier) is told he is giving too many details, and when I want to discuss the reasons which allow the introduction of this bill, you tell me that I am out of order because I am straying a bit from the subject.

May I assure you, Mr. Chairman, that all I am trying to do is to show that this bill is possible only because of the change of attitude of the provincial government and of the members we see here in this house.

May I also say this: Your Honour knows quite well that, for many years federal grants to universities have been the subject of a great deal of discussion in the province of Quebec, and therefore I do not believe it would be out of order to allow, at this stage of the debate, the greatest possible latitude in this matter.

Besides, how can we reply to all the arguments which were raised by the Minister of Finance (Mr. Fleming), last night, if we cannot do it on the first clause?

The Chairman: That is just what I was trying to point out to the hon. member. As a matter of fact, I mentioned it when I expressed my views on the point of order raised at the start of the sitting. Discussion on clause 1 of the bill cannot be the same as on second reading. Discussion on second reading deals with the principle of the bill, and though general debate is allowed in committee on clause 1, it does not mean that the whole debate on second reading may be repeated, because it would give an opportunity of answering all the speeches which were not followed up on second reading. Frankly, I think that the hon. member could have spoken on second reading as he is doing now; yet, recalling the whole history of federal grants to universities at this stage of proceedings does not seem to me consistent with standing orders according to which discussion must be strictly relevant to the section under study.

Of course, I do not intend to apply standing orders too harshly. I trust that the hon. member, with all his experience, knows as well as I do what I have in mind when I want to apply the rule mentioned in paragraph 2 of standing order 59. He may not have had the opportunity of expressing his views on second reading, but that would not be a reason for me to change the standing orders at this time. As to the tolerance that the chairman has shown with regard to the hon. member for Laurier (Mr. Chevrier)—I do not want to make any comparisons; I gave an explanation at the time but I do

not think that the decision could apply in the case of the hon. member for Richelieu-Vercheres (Mr. Cardin).

(Text):

Mr. Crestohl: On the point of order which you have raised, Mr. Chairman, may I draw to your attention something which, perhaps, you are overlooking in subsection 2 of standing order 59, on which you have relied a great deal. Let us read it slowly:

> Speeches in committee of the whole house must be strictly relevant—

Relevant to what?

> —to the item or clause under consideration.

There are two matters upon which the subsection says we must keep an eye with respect to relevancy. It does not say relevant only to a clause. If the subsection simply read that speeches must be relevant to the clause, then your rulings would be perfectly sound when we were dealing with a particular clause. However, the words in this subsection 2 say that speeches must be relevant to two things, to the item—and it does not say "and clause", but it says "or clause". You may draw a distinction. I submit very respectfully that the relevancy must be to an item or a clause.

I repeat, only for emphasis, that if we were dealing now with clause 2 or clause 3 of the bill, then under the rule of relevancy speeches should be relevant to that. However, the rule gives latitude and says speeches must be relevant to an item. What is the item we are now discussing? We are now discussing an item, clause 1, under which a general discussion is permitted. I respectfully submit for your consideration that you should put some interpretation on the wording of this rule of relevancy to the effect that relevancy can be with respect to an item, which is wider and gives greater latitude than a clause.

Mr. Fleming (Eglinton): Surely, Mr. Chairman, this is the most preposterous argument that has ever been addressed to the chairman of a committee of this house.

Mr. Crestohl: It may seem preposterous to the minister.

Mr. Fleming (Eglinton): There is no item before the committee at this time. The standing order from which the hon. gentleman has read is one which binds committees of the house. Committees of the house address themselves to the clauses of a bill and items in the estimates. The rule is uniform. If the committee is dealing with estimates, discussion must be strictly relevant to the item under consideration. If the committee is dealing with a bill, then the discussion must be strictly relevant to the particular clause of the bill that is under discussion.

Mr. Chevrier: Not under clause 1 or item 1 of the estimates.

(Translation):

Mr. English: Mr. Chairman, I am not as experienced as the hon. member for Cartier (Mr. Crestohl), but I really think that we discussed the principle of the bill before its second reading. We now have to consider each clause of this bill and if the hon. members who had the opportunity of speaking during the debate on second reading start a new discussion on the principle of the bill, when clauses 1 and 2 are under consideration, we shall have to answer them and thus engage in an endless discussion.

(Text):

The Chairman: I have indicated before, and this is in reference to the remarks by the hon. member for Cartier, that if we were to apply the standing order strictly we could not even allow a debate in general terms on clause 1 because the rule is that when we study a bill in committee there is no other way of studying it except clause by clause. It is only the practice, therefore, that has allowed some latitude on clause 1, and because it is only the practice I think hon. members should restrain themselves as to the nature of the general discussion that they can proceed with under clause 1.

Now as to what is proper within the rule of strict relevancy and the practice which allows a general discussion, in my opinion, should be left to a great extent to the discretion of the Chair because otherwise it is not possible to conduct an orderly debate. I have up to now accorded great latitude to the hon. member for Laurier because he was making a point that he could not discuss under clause 1 without referring to clause 2. However, the hon. member for Richelieu-Vercheres is not even discussing the terms of the bill. He is discussing the history of university grants, and that is a proper subject for discussion on second reading. I certainly would not be applying the rules as they should be applied, or even the practice, if I were to allow the hon. member to continue this line of discussion.

Mr. Cardin: Mr. Chairman, you just mentioned that I was not discussing the terms of the bill. I understood that was exactly what I was not supposed to do, discuss the terms of the bill. What I was trying to do was to discuss the whole question of university grants. I must admit also that what inspired me to speak in this particular debate was the speech made by the Minister of Finance last night. I had no intention of participating in the debate until then.

The Chairman: Order; may I draw the attention of the hon. member to the fact that the speech to which he is referring was made on second reading of the bill, not in committee. It is not proper, therefore, to reply to the minister because that was a debate on the principle of the bill and now we are in committee.

(Translation):

Mr. Caron: Don't you think, Mr. Chairman, on this matter—

An hon. Member: Here is the light.

Mr. Caron: May I point out, Mr. Chairman, that when members opposite are speaking, I never interrupt them and I should like them to show me the same courtesy.

Don't you think, Mr. Chairman, that more latitude should be allowed, especially after what the hon. member for Richelieu-Vercheres (Mr. Cardin) has just said?

Mr. Chairman, if the ruling you have just made were irrevocable, this would constitute, in my opinion, a serious injustice towards opposition members, because no one could reply to the atrocities committed by the Minister of Finance. In fact, yesterday, at the end of the debate on second reading of the bill, the Minister of Finance said the worse inaccuracies and atrocities, to which it would be impossible for us to reply if—

Mr. Asselin: What section of the standing orders are you referring to?

Mr. Caron: I am referring to the practice which has been prevailing up to this day.

The Chairman: Order. The hon. member for Hull knows very well that someone must always have the last word.

The hon. member knows very well that at the end of the debate on second reading, before the minister who introduces the bill takes the floor a second time, the Speaker or chairman must warn hon. members that the minister will close the debate, and I imagine that those words have a certain meaning. Moreover, it is obvious that a debate must always come to an end; that is the reason why the discussion held at the second reading stage cannot be resumed in committee.

Again, it is not a matter of preventing hon. members from expressing their views. However, the fact remains that if hon. members refuse to co-operate with the chairman of the committee in the enforcement of standing orders, it will be at their own expense.

It has just been suggested that I have been too lenient with the hon. member for Laurier (Mr. Chevrier), and that I should therefore show the same leniency to other hon. members.

That, I think, indicates to every hon. member how important it is to abide closely by the standing orders.

I feel that hon. members should co-operate more closely with the chairman while exercising their privileges in accordance with standing orders.

(Text):

Mr. Pickersgill: Mr. Chairman, you are a relatively new member of the house. You were not here when the Minister of Finance—

An hon. Member: What has that to do with it?

Mr. Pickersgill: —and the Secretary of State for External Affairs and Mr. Drew sat on this side of the house and when this kind of latitude was allowed invariably on every bill on which the opposition wished to exercise it. Those speaking in the opposition were not harassed by constant points of order from the then minister of finance because he did not like the contribution that was being made. What we are being subjected to in this chamber by the present Minister of Finance is a shocking form of running closure, the like of which has never before been attempted.

The Chairman: In my opinion some of the remarks of the hon. member for Bonavista-Twillingate were out of order.

An hon. Member: As usual.

The Chairman: With reference to the previous practice, I may say that I have consulted *Hansard* of 1956 and 1953 and I note that there was some discussion as to this problem we have here. Mr. Speaker Beaudoin then intimated that discussion in committee on clause 1 could not revive the debate on second reading. I may refer the hon. member to page 3992 of *Hansard* of May 16, 1956 when the chairman, Mr. Robinson—it was not Mr. Speaker Beaudoin—stated as follows:

> This is a matter which raises a difficult problem in view of the fact that we are governed in committee by the strict rule of relevancy under standing order 59 (2). The hon. member for Vancouver Quadra in his remarks, I believe, used the word "rule" and he also used the word "right". I cannot concede that there is any "rule" allowing a broad debate such as he apparently has in mind, in view of the very clear language of standing order 59 (2).
>
> I might say that in my personal opinion we are governed by the relevancy rule.

And so on. Mr. Beaudoin, when he was the chairman, on February 2, 1953, as found in *Hansard* at page 1551, stated as follows:

> Hon. members will realize that the general discussion cannot extend beyond the two clauses

which are in this amending bill. It cannot be a repetition of the general discussion which took place on the principle of the bill on second reading.

As I said, if we were to apply the rule strictly, there would be no general debate on clause 1. It is only possible by practice and, I would say by some tolerance which the Chair has shown up to now. I would ask hon. members to realize that if the procedure allowed repetition of the debate on second reading, the committee stage would have no meaning at all and I do not see why the rule would provide for study in committee.

Mr. Cardin: When I rose I had something very definite and very concise to say and something which I think is completely related to the discussion we are having and something which I think is important. However, Mr. Chairman, if your ruling is that I cannot speak about it, the only thing I can do is to resume my seat. I have no intention of of speaking about a provincial election.

Mr. Pickersgill: The hon. member for Laurier, in the documents he has brought before the committee today, has indicated clearly something which it seems to me must be cleared up before the committee can in any decency be asked to continue with the consideration of this bill. Everybody knows that the purpose of clause 1 and clause 2 of this bill is to introduce into the legislation of this country a new scheme or an alternative scheme for paying to or for making available certain money for universities. Everybody knows that. It was stated by the Minister of Finance as one of the two purposes of the bill. Everybody also knows as a matter of practical effect that this second scheme, this alternative, is of no interest to any province or the government of any province except one.

Mr. Fleming (Eglinton): How do you know?

Mr. Pickersgill: Everybody knows that; it is a matter of common knowledge. If the minister has some secret information he has not disclosed to the house, he ought to disclose it.

Mr. Fleming (Eglinton): In the meantime you are making a statement out of your imagination and not based on fact.

Mr. Pickersgill: In the meantime I have the floor, Mr. Chairman, and I am speaking on the bill. As I said, everybody knows, so far as there is any public knowledge, that there is no interest in the alternative scheme in any province except one and that province is, of course, the province of Quebec.

Mr. Speakman: The provincial election.

Mr. Pickersgill: It is not our fault that that there is a provincial election, although it may be that the government introduced this bill because there was a provincial election.

Mr. Fleming (Eglinton): On a point of order—

Mr. Pickersgill: More closure.

Mr. Fleming (Eglinton): On a point of order—

Mr. Martin (Essex East): This is not a point of order.

Mr. Fleming (Eglinton): Will you permit the chairman to make the ruling?

Mr. Chairman, the hon. member has just now taken upon himself to make an assertion and to attribute motives. That is something that is forbidden in the plainest terms by the rules of the house. It is time that the hon. member learned something of the rules of the house and learned to obey them.

Mr. Chevrier: On the point of order, Mr. Chairman, may I say this? Last night I was taken to task rather severely by the Minister of Finance. What for? I was taken to task because when I made a particular statement here in this chamber, another hon. gentleman made a statement in the province of Quebec concerning elections and from that he concluded that there was an understanding between the two of us. What could be more political than that charge? It was a clear insinuation of something which is not true and an insinuation which I throw back at him at this moment. He now rises on a point of order which is not a point of order at all in order to say that my hon. friend is guilty of the same thing. Does the minister want me to read out to him what he said to me on the occasion to which I have referred?

Mr. Fleming (Eglinton): I want the hon. member to obey the rules of the house for one thing.

Mr. Chevrier: If you want me to obey the rules of the house, you must obey them yourself.

An hon. Member: Address the chairman.

The Chairman: Order. I would ask hon. members to restrain themselves a little bit so that we may have an orderly debate. The point of order raised by the minister had reference to an imputation of motive by the the hon. member for Bonavista-Twillingate but I think it was a reference to the government generally and I do not think it had reference to any hon. member but—

Mr. Fleming (Eglinton): It was attributing motives.

The Chairman: —to the government generally. I do not think the rule with regard to imputing motives would apply in a case when it is addressed to the government or a party in general. I would therefore allow the hon. member to continue.

Mr. Pickersgill: As a matter of fact, Mr. Chairman, I would go further than you have gone and say that I made that interjection only because an hon. member behind me here who is a supporter of the Minister of Finance himself introduced the subject of a provincial election. I had no intention of speaking about a provincial election and I have no intention of speaking about a provincial election.

I will do the Minister of Finance the honour of saying that I believe he was quite sincere last year when he said he wanted to solve this problem. I have always thought he was quite sincere in wanting to solve this problem, just as I think my hon. friend from Laurier was quite sincere last year when he also said in the same debate he wanted to solve this problem and when he put forward a solution to the problem which is consistent with provincial rights. If I said anything in this particular which offended the tender susceptibilities of the Minister of Finance I withdraw it, because I have never doubted his sincerity or patriotism in this matter any more than I think he should question that of any other hon. member. I think every Canadian who is worth his salt wants to solve this problem, and I have always thought so.

I do not think it is very becoming in the Minister of Finance or in some other hon. gentlemen opposite to suggest when we are trying to uphold the constitution of our country that we are doing it for any other motive than the proper motive that any hon. member ought to have in this house. I have been very careful in every word I have said at every stage of this debate to avoid any kind of insinuations of that sort and I ask any hon. gentleman to scrutinize what I have said. I have never said anything about what motives may have actuated any provincial government because I do not think it is our business in this house and I do not intend to do so.

The hon. member for Laurier has brought up a problem here, and there is no sense in asking us to pass a bill that is not going to achieve the objective which the government and the rest of us have in mind. If this bill is not going to solve the problem; if instead it is going to constitute a further problem for the future and if, as we believe, it is of very doubtful constitutionality and is undoubtedly an invasion into normal provincial affairs, as we believe it is, we think it ought to be debated seriously, without insinuation or innuendo, on its merits.

We were told by the Solicitor General the other day in the passage read by my hon. friend, which I will not repeat, that the premier of Quebec and the government of Quebec agreed in advance to this bill and this scheme.

Mr. Balcer: Mr. Chairman, on a point of order, I never said that. If the hon. member wants to quote my speeches let him read them from *Hansard*, not create them from his imagination.

Mr. Pickersgill: Very well: I do not want to be unfair. Perhaps when some of the hon. gentlemen opposite calm down I will read it because, as I say, I do not want to be unfair in any particular to the Solicitor General.

Mr. Starr: What is the page in *Hansard*?

Mr. Pickersgill: In *Hansard* page 3286 April 26, 1960. This is the Solicitor General speaking and it is the passage which was read a few minutes ago by my hon. friend. I will read it again:

(Translation):

A few days before his death, Mr. Duplessis stated that he would be in a position to submit, in October, a positive proposition to the ministers from Ottawa. It was the Hon. Paul Sauve who submitted that positive proposition. Federal ministers discussed it with Mr. Sauve and, at the time of his tragic death, only a few details remained to be worked out, which was done during a private interview between Mr. Antonio Barrette, Mr. Sauve's successor, and the Minister of Finance, sponsor of the bill which is now before us.

We had claimed, under the Liberal administration, that it was possible to settle this problem in a constitutional way and to the satisfaction of the premiers of all the provinces.

Mr. English: It is indeed unfair not to take a cabinet minister's word and to give preference to an item published in the press.

I have here a copy of *Montreal-Matin* which says quite the opposite.

Mr. Chairman, I would like to be able to read the article published by *Montreal-Matin*—

The Chairman: Order. I regret to have to interrupt the hon. member, but the question raised by the hon. member for Chambly-Rouville (Mr. Johnson) did not refer to the minister's statement, but to the accuracy of a newspaper item which the hon. member for Bonavista-Twillingate (Mr. Pickersgill) was quoting. The hon. member for Chambly-Rouville was speaking on a question of privilege.

Mr. English: I rise on a question of privilege also. The subject matter was an article published in *Le Devoir* which had been previously quoted.

This is an accurate report of the meeting at Joliette according to *Montreal-Matin*; and it says quite the opposite.

Can we not, therefore, accept the minister's word?

Mr. Loiselle: The Union Nationale gospel.

Mr. Johnson: The hon. member for St. Ann (Mr. Loiselle) should keep to politics on the municipal level.

(Text):

Mr. Pickersgill: Mr. Chairman, I rise on a point of order. Surely I had the floor and I was seeking to reply politely to a question asked me very politely by the Solicitor General and I think I should be allowed to reply to that question without all these interruptions which have nothing to do with that question.

Here is the account which appeared in the newspaper *Le Devoir* of the speech made by the premier of Quebec in opening his campaign:

(Translation):

Mr. Barrette said that there was never any question of an agreement with Ottawa, but a decision taken by an autonomous government to settle a thorny problem. Thus, he said, by proudly expressing our will, we succeeded in recovering for Quebec $10 million in taxes per year and the $25 million lying in Ottawa coffers.

We even got the federal government to admit that it will vacate the field of education, thus finally winning out after years of struggle.

(Text):

That is what Mr. Barrette said and here is what the Solicitor General said on April 26, as reported on page 3286 of *Hansard*, where he was speaking in French:

(Translation):

We have kept our word admirably, because Premier Barrette himself believed that this bill is consistent with the terms of Mr. Duplessis' proposal, which was submitted again by Mr. Sauvé, and later by Mr. Barrette himself.

Mr. Tremblay: Where is the contradiction, then?

(Text):

Mr. Pickersgill: If the Solicitor General does not think that that was a clear statement, clearly intended to convey the impression that the premier of the province of Quebec was satisfied with what was going to be brought before this house, it certainly conveyed that impression to my mind and it conveyed that impression to the mind of my hon. friend, and it seems to have conveyed that impression to the minds of all those hon. gentlemen here who applauded the Solicitor General.

Mr. Balcer: May I ask the hon. member a question?

Mr. Pickersgill: Certainly.

Mr. Balcer: Can you tell me at what time Premier Barrette said he was not satisfied?

Mr. Chevrier: Mr. Chairman—

An hon. Member: That is right; get your helpers to work.

Mr. Pickersgill: Mr. Chairman, I have in my hand a copy of *Le Devoir* of Monday, May 9, reporting Mr. Barrette, presumably textually, a newspaper of which I doubt hon. gentlemen opposite would question the reliability. If they do want to question it let them go ahead. If they suggest that this newspaper deforms the news, then that is their suggestion, not mine.

Mr. Johnson: Mr. Chairman, on a question of privilege, I take exception to the statement of the hon. member in relation to his remarks about the authenticity of this newspaper's articles. He is referring to the authenticity of certain remarks of their editors or their reporters, not the authenticity of the paper itself and of all their reporters. I would ask the hon. member to stick to his contention and not go beyond it.

Mr. Chevrier: You are better sitting down than standing up.

Mr. Pickersgill: Mr. Chairman, that was so obviously not a question of privilege.

The premier of Quebec says there is no understanding, nothing whatever, and the Solicitor General says this is a magnificent example of understanding. It is very like that new, third constitutional theory we heard from the Minister of Finance last night. It is a kind of mysticism that plain, simple people cannot understand.

Coming back to the point, I say that before we are asked to approve clauses 1 and 2 of this bill that incorporate this new scheme we should be told by the government whether or not this scheme is satisfactory to the present government of the province of Quebec and in what fashion the federal government learned it was satisfactory to the provincial government.

This is something which must be unparalleled in our parliamentary history. We are asked to enact legislation to meet a problem in one of the ten provinces. We are told by a minister here in the house that this meets the problem, that he knows it meets it, and that the provincial government has said so. We are told by the premier of the province of Quebec that there is no understanding whatsoever. It should be impossible for any government to come into the house and ask hon. members to take a position of that sort. Can anyone imagine Mr. St. Laurent doing a thing like that? Can anyone imagine what the Minister of Finance would have said if Mr. St. Laurent had tried to do it?

Mr. Brassard (Lapointe): Another flag.

Mr. Pickersgill: The minister would have been draped in two or three flags. This is beyond my comprehension. The lack of frankness throughout this whole business is appalling. We could not find out at the resolution stage what was in the bill and when the bill came down it was a great shock to many of us. Now we cannot find out what took place between the premier of Quebec and the Minister of Finance and we have no means of knowing whether or not this bill will meet the problem. It seems to me the minister should settle that question at once and I suggest to the hon. gentleman that just for once he deal with the question and not indulge in one of the irrelevant harangues to which he is so attached.

An hon. Member: Like the one you are making now.

(Translation):

Mr. Balcer: Mr. Chairman, as usual, our friends opposite are trying to play on words and to raise a cloud of dust and smoke around that question.

I should like simply, for the moment, to deal with that so-called contradiction which exists only in the minds of the hon. member for Laurier (Mr. Chevrier) and of the hon. member for Bonavista-Twillingate (Mr. Pickersgill)—between my words and those of the Quebec premier. If you read what I said, you will note that I mentioned the fact that Mr. Duplessis had stated he was in a position to submit a concrete proposal to the ministers in Ottawa. Then, I spoke about that concrete proposal and said that it was Mr. Sauve who had submitted it, and that finally, Mr. Barrette felt that the bill was in keeping with Mr. Duplessis' proposal. I always referred to it as a proposal.

The hon. members opposite are basing their argument on the report of a columnist of *Le Devoir* who wrote that Mr. Barrette stated that there had been no question of an agreement with Ottawa.

We do know that what Mr. Barrette meant was that the question of grants to Quebec universities, which have been deprived of them for too long, is now in process of being settled, and in such a way that the federal government will not encroach upon provincial autonomy in matters of education. We do not require the province of Quebec to sign any agreement whatsoever. We allow the province of Quebec to adopt the legislation it wishes; we do not oblige Mr. Barrette to sign or to ask anything; through our legislation, we allow any province to act according to principles of autonomy in matters of education.

[Mr. Brassard (Lapointe).]

That is what Mr. Barrette meant. And that is what he said. I repeat, there is absolutely no contradiction between what I said here and what Mr. Barrette said a few days ago.

Mr. Leduc: Mr. Chairman, last night I asked the same question of the Minister of Finance (Mr. Fleming) in order to find out definitely whether or not there has been an agreement. I was very happy to hear the Solicitor General (Mr. Balcer) tell us that the Quebec government has settled the problem. That is true, it is quite true, and I commend the Quebec government for passing the appropriate legislation during its last session.

Mr. Balcer: Try to get together on this.

Mr. Leduc: And in Quebec, the Quebec Liberals all supported those pieces of legislation.

Mr. Pigeon: Why does Mr. Lesage denounce the legislation?

Mr. Leduc: They supported the legislation suggested by Mr. Barrette. Why? Because all those bills had previously been put forward and recommended by Mr. Lapalme.

Mr. Johnson: Why did Mr. Lesage denounce that bill?

Mr. Leduc: And now that the legislation has been passed in Quebec, the province of Quebec has no need for the alternative plan placed before this house. The proof—

Mr. Balcer: Would the hon. member allow me a question?

Mr. Leduc: Yes.

Mr. Balcer: Does he mean to say that the Liberal members in the Quebec legislature feel that the federal government should not offer deductibility in this case, and that Quebec corporations should be subject to double taxation? Is that what he means?

Mr. Leduc: There is no need for the principle of "deductibility" to give fair treatment to the province of Quebec in the matter of grants to universities. The proof is that the Quebec government, after passing this last bill, discussed the matter with the universities and told them to go to Ottawa and collect the $25 million that Mr. St. Laurent and the Liberal party had set aside for them.

The Chairman: Order. It may be in order for the hon. member for Gatineau (Mr. Leduc)

to reply to the speech made by the Solicitor General, but he did more than that. He has strayed from the subject. Until then, it had been a matter of determining whether the bill, as drafted, was acceptable to the province of Quebec, which might have been relevant to a certain point in the discussion of clause 1. But he is clearly moving away now from the required relevancy at this stage of the proceedings.

Mr. Leduc: Mr. Chairman, I want to respect your ruling. However, I would like the Minister of Finance to give us an answer, to tell us whether or not there actually was an agreement.

Mr. Tremblay: What difference could it make to you?

Mr. English: Mr. Chairman, a few days ago I heard the hon. member for Laurier (Mr. Chevrier) refer to *Le Devoir* and even read an article from that paper; today, I again listened to a reading of this same article by the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

If those hon. members were allowed to quote a newspaper report in the house, I honestly believe that I also have the right to read what has been reported about the meeting held in Joliette last Sunday by the Hon. Antonio Barrette. Here is what the newspaper said:

An hon. Member: It is the paper *Montreal-Matin.*

Mr. English: You quote from *Le Devoir* because it suits your purpose; so you cannot blame me for quoting the article from *Montreal-Matin.*

Mr. Brassard (Lapointe): What you are saying is odius for *Le Devoir.*

Mr. English: You said it yourself, my friend. So, here is the article:

The premier made this statement while taking to task Mr. Jean Lesage and his two attendants, the three of them former federal members.

A second choice.

"Do you think, he said, that Mr. Lesage, would be the leader of the Liberal party in the province of Quebec—

The Chairman: Order. I will remind the hon. member for Gaspe—but first I ask him to resume his seat—that the article quoted by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) dealt with a statement concerning the possibility of an agreement between the Quebec government and the federal government. If the hon. member for Gaspe wants to quote an item which would prove a statement to the contrary, or a different one, I have no objection, but he may not quote any part of a statement which is not relevant to what we are considering now, and within the limits just indicated.

Mr. English: Mr. Chairman, that is exactly what I am doing. The name of Mr. Barrette has been mentioned. As the names of Mr. Barrette and Mr. Lesage were mentioned, I think it is my duty and my privilege to quote Mr. Barrette. Are hon. members ashamed of my referring to Mr. Lesage?

And this is precisely what was said, Mr. Chairman:

Instead of taking advice from his representatives, Mr. Lesage went to see Mr. Lionel Chevrier in Ottawa. He wanted to continue the traditional "federal clique" which, at the time, had wanted to impose—

The Chairman: Order. I fail to see the relevancy of the item quoted by the hon. member for Gaspe. He might perhaps now discuss the bill according to the directions I gave.

Mr. English: Mr. Chairman, that is precisely what I was coming to. I did not want to be accused of quoting only what suits us, I wanted to quote the whole item. They always quote what suits them; so I wanted to quote the whole article. I am coming to what I wanted to point out, Mr. Chairman, and I may have taken too much of a roundabout way, but I hope that you will allow me to conclude my quotation so that what I wanted to say may be easier to understand.

To my mind, Mr. Chairman, I am in order in doing so.

Mr. Barrette stated that the provincial government, in all letters exchanged with Ottawa on the matter, never mentioned any understanding or agreement.

In this whole matter of understanding and agreement, this is what happened. The Hon. Mr. Barrette, jointly with the present government, merely came to the conclusion that was the most practical in the interests of our universities. It had to come to that, because the province of Quebec could not always be satisfied with receiving gifts from the federal government; it had to get its share of the taxation field. What was being done by the Liberal administration of our hon. friends opposite was an injustice. The moneys are now levied as corporation taxes at the rate of 1 per cent. This means that the Quebec government is now collecting what it had been unjustly deprived of by the Liberals. That is just what the Hon. Mr. Barrette meant. That is exactly what he meant by an agreement between the federal and the provincial governments.

And our hon. friends opposite, wishing to carry on the policy of the former Liberal

regime, want the province of Quebec to kneel down again, and continue to refuse the share which is due, in all justice, to Quebec universities. But today it is not necessary to bow, because we have received and obtained exactly what had been taken away from us, that is to say we have recovered our taxation power in the province of Quebec. That is why, Mr. Chairman, our hon. friends opposite are against this bill.

(Text):

Mr. Chevrier: Is the Minister of Finance going to raise a point of order?

(Translation):

Mr. English: Instead of talking and delaying the adoption of the bill, they should rise and thank the Minister of Finance and the Conservative government for having given the province of Quebec what their party had taken away from it in the past.

Mr. Chevrier: Mr. Chairman, I am rather surprised that the Minister of Finance, who is an expert in procedural matters, did not raise a point of order during the speech made by the hon. member for Gaspe (Mr. English). He is more prone to raise points of order when we have the floor.

However, I did not rise for that purpose, but to say a word about what the Solicitor General said a moment ago. In trying to reply to the hon. member for Bonavista-Twillingate, he referred to a so-called contradiction we have established or tried to establish between what he said and what the Quebec premier said. Now, Mr. Chairman, it is not a so-called contradiction, it is a real contradiction. According to what the Solicitor General said, which is recorded in *Hansard*—and I will not repeat it, because it is already there—it is not a so-called contradiction but a real contradiction that exists between the Solicitor General who says there is an agreement and Mr. Barrette who says there has been no understanding or agreement or whatever you may call it.

An hon. Member: You are all mixed up.

Mr. Chevrier: And you went further when you said a moment ago that we are not forcing Quebec to sign anything. Let me tell you, Mr. Chairman, that neither did the former government force Quebec to sign anything, and if it is true—

Mr. Balcer: May I—

[Mr. English.]

Mr. Chevrier: Wait. I am answering your question.

Mr. Tremblay: He is a bit mixed up; he will recover.

Mr. Chevrier: If it is true that you did not force the province of Quebec to sign anything under the agreement between the Minister of Finance and the Canadian universities foundation, the fact remains that the agreement is incorporated in the bill, which makes the province of Quebec subject to the agreement. As a result, the province of Quebec is bound by the agreement, in addition to being bound by the definitions of the expressions "university", "university level", and others about which we heard so many complaints from the hon. members for Bellechasse and for Charlevoix (Messrs. Dorion and Asselin) the other day.

Does the Solicitor General wish to ask me a question?

Mr. Balcer: Mr. Chairman, I just wanted to ask the hon. member for Laurier to show me, in the parts of my speech that he quoted, where I said there had been an agreement—and I stress the word "agreement"—between the government of the province of Quebec and the federal government?

Mr. Chevrier: Very well, Mr. Chairman. In two places—

Mr. Balcer: I ask the hon. member for Laurier whether he can indicate where I made such an assertion.

Mr. Chevrier: Mr. Chairman, I shall answer the question of the Solicitor General.

First, let me refer to page 3286 of *Hansard* for April 26, 1960, in the middle of the second column, which reads as follows:

Federal ministers discussed it with Mr. Sauvé—

Mr. Balcer: Yes.

Mr. Chevrier:

—and at the time of his tragic death, only a few details remained to be worked out, which was done during a private interview between Mr. Antonio Barrette, Mr. Sauvé's successor, and the Minister of Finance, sponsor of the bill which is now before us.

Then, Mr. Chairman, what happened is that the federal ministers—the Solicitor General being absent—after discussing it with the late premier and the present premier of the province of Quebec, reached a conclusion except for a few details which were clarified later on.

As for the other place where the Solicitor General—

Mr. Tremblay: Was there any agreement?

Mr. Chevrier: Mr. Chairman, if the hon. members want me to answer the Solicitor General's question, I should be given an opportunity to do so.

Mr. Tremblay: You started on the wrong foot.

Mr. Chevrier: I am not in a predicament, you are.

An hon. Member: They are the ones who are in a predicament.

Mr. Chevrier: The other place where the Solicitor General stated what I asserted earlier is a little further, on the same page, that is page 3286 of *Hansard* of April 26, 1960. I quote:

> We have kept our word admirably, because Premier Barrette himself believes that this bill is consistent with the terms of Mr. Duplessis' proposal, which was submitted again by Mr. Sauvé, and later by Mr. Barrette himself.

What can those statements indicate if not that there was an agreement, an arrangement between the two government leaders?

And now, Mr. Chairman, since the Solicitor General asked me a question, I would like to ask one to him in turn.

If the Solicitor General still claims, against all comers, despite his statements I just quoted and that he had put on *Hansard,* to the effect that he did not make that assertion, I will ask him this: Did the premier of Quebec accept the bill that we are now discussing? If he did, on the basis of what information did he do so?

Mr. Balcer: Mr. Chairman, as I said a few moments ago, and this is the advantage of our legislation, we are not forcing the province of Quebec to sign any agreement whatsoever, we are leaving her entirely free and we are not at all encroaching upon her autonomy.

The legislation proposed by the Quebec government has been unanimously adopted in the Quebec legislature, which indicates that it has been approved by all the Liberal members of the province of Quebec. As far as we are concerned, we have submitted our bill to this house; it has been unanimously approved by all the hon. members.

Those two pieces of legislation have solved the problem of the universities in the province of Quebec. It is the adoption of those two measures that will enable young university students in the province of Quebec to share in benefits that were unavailable to them under the legislation of the previous government.

Mr. Deschatelets: Could you answer the question now?

Mr. Chevrier: Mr. Chairman, could I pursue my remarks a bit further—

Mr. Tremblay: Answer the question.

Mr. Chevrier: Mr. Chairman, could I go on with my remarks regarding the matter that was being discussed a moment ago—

Mr. Johnson: Before doing so, would the hon. member allow me a question?

Mr. Chevrier: No, because I do not think that the hon. member is in earnest.

Mr. Johnson: Considering the source of this remark, it is not so important.

Mr. Chevrier: The hon. member is a joker in this house. That is why I cannot take him seriously.

An hon. Member: You have been making jokes for 20 years.

The Chairman: I shall ask the hon. member for Laurier to withdraw the expression he just used and which, to my mind, certainly goes beyond the limits set by standing orders.

Mr. Chevrier: Well, Mr. Chairman, if the expression I used in any way annoyed the hon. member to whom it was attributed, I withdraw it, and just repeat what I said earlier, that is, that I cannot take his interruptions seriously.

Mr. Johnson: Mr. Chairman, I forgive the hon. member for Laurier for having projected himself.

Mr. Chevrier: Well, Mr. Chairman, I would like to go on with the discussion which took place a few moments ago between the Solicitor General and hon. members from the opposition.

Mr. Chairman, the Solicitor General has stated that the province of Quebec did not have to accept this bill.

Therefore, if my understanding of his reply to my question is correct, the premier of Quebec has not accepted the bill. And the Solicitor General even went further when he said: "We are not forcing anything on the province of Quebec".

Mr. Chairman, I call the attention of the Solicitor General to the fact that under clause 2, Quebec is in fact bound by the agreement reached between the Minister of Finance and the Canadian universities foundation. In fact, under the very provisions of the bill, the agreement is incorporated in the bill. Moreover, the definitions of the expressions "university level", "university", etc., about which there have been so many complaints from hon. members—

The Chairman: Order. I regret to interrupt the hon. member for Laurier once again, but if my memory serves me right, he dealt with this matter yesterday. Furthermore, it seems that it had been agreed that we would not resume this discussion before we came to clause 2. Consequently, in order to allow for an ordered discussion of the bill, I must unfortunately call him to order.

Mr. Chevrier: Mr. Chairman, if I was out of order, it is because I wanted to reply to the Solicitor General who said that the province of Quebec does not have to accept this bill, whereas I claim that it is bound by this agreement. However, if you do not want me to deal with this matter, I shall not insist, because I shall be able to talk about it when we come to clause 2.

Mr. Balcer: And I shall be able to reply.

Mr. Chevrier: Mr. Chairman, since the Solicitor General says he will be able to answer me, why does he not reply now to the arguments I raised on three different occasions, that is, on the resolution—

Mr. Johnson: Because he is asking you a question, and you do not want to reply. When you are in a spot, you say all kinds of nonsense.

Mr. Chevrier: Mr. Chairman, the Solicitor General has replied to none of the arguments which I raised on behalf of the opposition.

Mr. Chairman, the hon. member for Charlevoix, like several others from the province of Quebec, has bitterly complained of the fact that I had not dared open my mouth when I was a member of the cabinet.

Mr. Tremblay: That is true.

Mr. Chevrier: —and that I had never said anything—

An hon. Member: What a confession.

[Mr. Chevrier.]

Mr. Chevrier: —but I was not even in the province of Quebec at the time. However, there are in the present cabinet, four ministers from the province of Quebec, and three of them have not yet taken part is this debate. If the argument of the hon. member for Charlevoix applies to me, who was not in the province of Quebec at the time, it must apply even more to those who have not yet taken the floor during this debate.

Mr. Asselin: I must say that the hon. member for Laurier is making up for it now, but that the population does not believe him because he is late.

The Chairman: Order. I think we are again straying from the question. I therefore ask the hon. members to give us a little more co-operation, so we can achieve a little more progress.

Mr. Chevrier: Thank you, Mr. Chairman. When the member for Laurier rises in this house to speak on behalf of fellow citizens of the province of Quebec, of whom he is a representative, there are shouts from all around, he is interrupted, he is said to be a liar and told that he has no right to meddle with the business of the province of Quebec, even if he represents a Montreal constituency. Is Montreal not in the province of Quebec? And, when he dares rise against those who do not see the danger there is in this bill, to point out the danger to which they themselves referred to on two occasions during this debate, while one of them even found fault with the wording of a certain clause, they complain of his behaviour.

So, Mr. Chairman, if I do one thing, I am wrong; if I do another, I am still wrong. Therefore, when is a member entitled to rise and speak for his colleagues of the province of Quebec, as the hon. member for Laurier has done?

In conclusion, I ask the Solicitor General once again where he got his information. I asked him if the Prime Minister had accepted the bill, and he answered that he had not. I shall go further and ask him, on the basis of what information did he make that statement earlier?

(Text):

Mr. Fleming (Eglinton): Mr. Chairman, had hon. members opposite indicated a desire for a more detailed review of the discussions and correspondence between the government of Quebec and the federal government which preceded the introduction of the resolution antecedent to the present bill, the proper place of course to have made that

request was in the discussion on the resolution. It is at that stage that such matters are properly discussed. It is, I believe, quite improper to raise the question here in the discussion in committee on the details of the bill. After all, the procedure in this house in providing opportunity for discussion on the resolution in committee is designed to afford hon. members the opportunity to obtain all the information that they may require in order to deal intelligently with the bill that is to follow.

I have been asked this afternoon to discuss the negotiations or, more aptly, discussions with the late Premier Sauve and latterly with Premier Barrette of Quebec. I gave an outline of the course of those discussions, Mr. Chairman, when I introduced the resolution. The hon. member for Laurier this afternoon extracted two brief excerpts from the correspondence and gave the impression that something in the nature of a formal agreement was to ensue. Of course that is quite a misleading impression. There was extensive correspondence, and that correspondence has been tabled. There are half a dozen letters in which the plan that is now embodied in the bill under discussion was outlined and was clarified. When I met Mr. Barrette after the letters which were read by the hon. member for Laurier were exchanged it was for the purpose of clarification.

In view of the fact that this question has been raised now and although I have had to take issue with the way in which it has been raised and the course that has been pursued by hon. members opposite, I am going to read the correspondence in full. I regret that it has become necessary to do that because it is lengthy. In view of the flights of imagination here this afternoon on the part of hon. members opposite, the time has come to bring them back down to earth. On December 9, 1959, the Prime Minister of Canada wrote a letter to each of the provincial premiers. It was in identical form, and this is the form that went to all premiers:

My dear Premier:

The government has decided to recommend to parliament legislation providing for an alternative basis for payment of federal grants to universities.

No change is proposed for those provinces which choose to continue the present system of grants.

Parliament at the coming session will be asked to provide that at the request of any provincial government which undertakes to provide additional grants to its universities on a scale equivalent to the present federal grants of $1.50 per capita, the provincial share of the yield from the federal income tax on corporation profits earned in that province under the provisions of the Federal-Provincial Tax-Sharing Arrangements Act will be increased from 9 per cent to 10 per cent. This would be in lieu of federal grants to universities in such a province. Where the loss of revenue to the federal treasury will exceed the university grants of $1.50 per capita in the province concerned, a deduction equivalent to the difference will be made by the federal government from other payments being made to the province under the provisions of the act. If 1 per cent of the yield from the corporation income tax in the province is less than the grants of $1.50 per capita, the federal government will pay the difference to the provincial government for the benefit of the universities.

Subject to the amendment of the Federal-Provincial Tax-Sharing Arrangements Act by parliament, any provincial government which has rented the corporation income tax field to the federal government under agreement pursuant to the provisions of the act will, if it desires to adopt the new arrangement respecting university grants, be enabled to amend its agreement in so far as the corporation tax is concerned and resume its collection of that tax on the foregoing terms.

In summary, the grants will be available to the universities in the same amounts and on the same formula of distribution as at present and be subject to the normal increase in the aggregate on the basis of increases in population.

This new arrangement will, if parliament approves, come into effect on April 1, 1960, and remain in effect for a period of two years until the conclusion of the current five-year tax agreements ending March 31, 1962.

I do not need to read the replies to that letter except the one from the late Premier Sauve of Quebec, in the light of the discussion this afternoon, as requested by hon. members opposite. Premier Sauve's letter was dated December 14, and it reads:

Dear Mr. Prime Minister:

I did not fail to communicate today to my colleagues of the executive council of the province the letter which I received last Thursday and which you had addressed simultaneously to the prime ministers of the ten Canadian provinces, eight of which, in pursuance of agreements, ceded to the federal government, for a five-year period and in exchange for annual subventions, their right of taxing the income of corporations. I also acquainted them with the text of the statement which you had made over the television network and which you had been good enough to forward to me.

Your desire to formulate an alternative to the present system of federal grants to the Canadian universities which would be more closely in accordance with the letter of the British North America Act greatly pleased my colleagues as well as myself. We are also very happy to note that your letter shows that you are planning again to think over the federal government's policy in this matter, in the light of the discussions which will have to take place on the bearing and the nature of the fiscal relations between the federal authorities and the provinces after March 31, 1962.

The only question which now arises is accordingly the consideration of a temporary modus vivendi which would remain in effect only for the two ensuing fiscal periods pending the decisions which we will be called upon to take and which will apply from March 31, 1962 onwards.

Clearly the greater part of your letter is intended for the provinces which have rented their rights and I accordingly believe that it would be necessary to define its meaning and bearing for our province. This is my conclusion after reading your letter, the text of your statement and after the conversations which I had with yourself and with your finance minister, the Hon. Mr. Fleming.

Dominion-Provincial Relations

As you are aware, since 1955 the provincial government allocates to the university institutions situated within its territorial and constitutional jurisdiction, annual grants on a basis and for amounts approximately equal to the subventions paid by the federal parliament to the Canadian universities' conference and earmarked by the latter for the Quebec universities.

As I mentioned to you last October, the Quebec government has decided to request the provincial parliament, during the present session, to set these grants on a permanent basis by adopting legislation which would make available to the provincial university institutions, proportionally to the number of their students, an annual sum equal to $1.50 per capita of Quebec's population. If the provincial parliament, in the free exercise of its constitutional jurisdiction, should decide to adopt such legislation and to secure the funds necessary for carrying it out by an additional tax on the income of corporations (a field of taxation which is open to the provinces in pursuance of the constitution), I understand that your government would no longer request the federal parliament to vote credits for grants to the Quebec universities but would recommend that for a period of two years it should increase from 9 per cent to 10 per cent the deduction from the federal tax which would be allowed in this field to the Quebec taxpayer. In order that the loss to the federal treasury should not exceed the amount which it would be called upon to disburse for the payment of the grants to the Canadian universities' conference, you suggest that the adjustment should be made out of the equalization payment. Such at least is my presumption, inasmuch as it seems to me the only item from which such adjustment could be made.

Would you please confirm whether such is in fact your intention?

I note that no mention is made of the amounts accumulated in trust and which represent the total of the grants which our universities did not claim. Inasmuch as your letter was addressed to the ten provinces, I understand that it would not have been appropriate to refer to these amounts. This, however, is another aspect of the problem which you have inherited and which will also have to be considered.

I shall feel in duty bound to communicate to my colleagues your reply as soon as it reaches me and to consider it with them.

Yours very truly,
Paul Sauve

To that letter in which the late Premier Sauve was asking for further clarification of the original proposal of the Prime Minister of Canada in the light of its particular application to the province of Quebec, the Prime Minister of Canada on December 22 wrote this reply:

My dear Prime Minister:

I acknowledge receipt of your letter of December 14th concerning the new alternative plan outlined in my letter of December 9th in relation to federal grants to universities.

My letter, as you point out, was addressed in identical form to the premiers of the ten provinces, since the new basis is available equally to all of them. I am glad now to avail myself of the opportunity presented by your letter to indicate in greater detail how the plan would apply in the case of the province of Quebec, which has exercised its right to collect its own corporation tax and not to rent this field to the federal government in pursuance of the Federal-Provincial Tax-Sharing Arrangements Act. In this connection I have taken due note of the statutory grants and the increased grants which you have asked the Quebec legislature to provide for the universities of your province.

If the legislature of Quebec chooses to adopt the new plan and the federal legislation is amended by parliament in the manner proposed by the government then for the next two fiscal years, commencing April 1st, 1960, and ending March 31st, 1962, the following terms will be in effect:

(a) If the legislature of Quebec should choose to raise the provincial corporation tax to 10 per cent or more of corporation profits, corporations liable thereto will be allowed an abatement of 10 per cent, instead of the present 9 per cent, against the federal tax on corporation profits;

(b) The grant of $1.50 per capita of population which the federal government has with the sanction of parliament been providing for universities would cease so far as the universities of the province of Quebec are concerned;

(c) The difference between the yield from the 1 per cent additional tax abatement and the $1.50 per capita of population of your province will be adjusted so that the fiscal position of the federal government remains unchanged. In other words, if the 1 per cent tax abatement exceeds the equivalent of $1.50 per capita of population, as it will, the federal government will deduct this excess from the equalization payment now being paid to Quebec out of the federal treasury in pursuance of the provisions of the Federal-Provincial Tax-Sharing Arrangements Act. By way of illustration, if the new formula were applied to 1959 data the federal treasury would lose and the provincial treasury would gain about $9,250,000 from the change in corporation tax rates. On the other hand, the university grants on the basis of $1.50 per capita if applied to Quebec would amount to about $7,500,000; and the difference of $1,750,000 would be deducted from the equalization payment to Quebec, which in 1959 will be approximately $67,000,000.

The foregoing plan, as above indicated, would apply to the next two fiscal years. As you point out, no express provision has yet been proposed respecting the amounts accumulated in trust for the universities of Quebec and which they have not claimed. This sum has now reached approximately $25 million. Assuming that agreement is reached with respect to the payments for the next two years, we should be glad to discuss with you the proper disposal of these accumulated moneys.

I trust that the foregoing observations will sufficiently clarify the federal government's alternative plan with respect to university grants.

As I pointed out, Mr. Chairman, that letter was written on the twenty second day of December, 1959. It was received by the late Premier Sauve but his death intervened before any reply was sent. However, on January 21, 1960, Premier Barrette wrote the following letter to the Prime Minister of Canada:

Dear Mr. Prime Minister:

It was only a few days ago that I had the opportunity of examining the letter which you addressed on December 22nd last to the Honourable Paul Sauvé respecting the grants to the universities and I did not fail to submit your communication to my colleagues of the executive council.

I note your statement to the effect that, as the Honourable Mr. Sauvé indicated in his letter of December 14th, the alternative solution suggested by your government was submitted simultaneously to the ten Canadian provinces.

I accordingly presume that, in regard to the province of Quebec, your letter could only serve as

a basis for the negotiations initiated between your government and ours with a view to finding a solution to the thorny problems which you inherited and to avoid increased taxation for the corporations operating in the province of Quebec.

The universities and the government of the province of Quebec having refused the sums offered by the federal government because they could not recognize to the latter, under the British North America Act, the authority to participate in the formulation of a policy concerning education, the government of Quebec must accordingly reaffirm its position on this subject.

In order to make available to the universities the funds which they require fully to play their part and to meet their obligations, the province of Quebec has decided to exercise its right of raising from 9 per cent to 10 per cent the tax on the profits of corporations. We are relying, as you stated in your letter of December 22nd last, on your assurance that the federal government will allow to such corporations an equivalent abatement as from April 1st, 1960 and this for the two years' period ending on March 31st, 1962.

The grant of $1.50 per capita which the federal government offers to the universities through the Canadian universities' conference will accordingly cease in so far as the province of Quebec's universities are concerned.

After a further consideration of our universities' requirements, the province of Quebec has also decided, subject to the approval of the legislature, to provide for them, in addition to the considerable appropriations already included in its budget for the 1960-61 fiscal year, additional grants substantially in excess of $1.50 per capita, regardless of the outcome of the negotiations between the federal government and Quebec's provincial government.

We understand, as the Honourable Paul Sauvé indicated in the letter which he addressed to you on December 14th last, that if adjustments must be made, your government and ours will come to an agreement on this subject.

Inasmuch as the entire problem of the fiscal relations between the federal government and the provinces must be re-examined as a whole before April 1st, 1962, it is fully understood that this agreement is temporary and that it will remain in force only during the next two fiscal periods beginning on April 1st, 1960.

My colleagues of the provincial cabinet and myself hope that we shall soon be in a position to announce that, in so far as the contributions offered by the Canadian universities' conference are concerned, your government and ours have come to an agreement recognizing the provincial government's exclusive jurisdiction in this sphere.

As regards the amounts which have been accumulated in trust or otherwise and which represent the total of the grants which our universities did not claim, we are prepared to initiate with you such negotiations as may be necessary in pursuance of the legislation which will be submitted to the Quebec parliament during the present session.

Yours sincerely,
Antonio Barrette.

Mr. Pickersgill: Will the minister permit a question on the context of that letter?

Mr. Fleming (Eglinton): May I complete the reading of the correspondence?

Mr. Pickersgill: It is just a short question. I was just asking the minister whether I correctly heard him read from the premier's letter a reference to an agreement. If he did so, will he read that sentence again? I did not catch it.

Mr. Fleming (Eglinton): It is on the record. The hon. member's colleague has a copy of the letter there. The next letter was written by the Prime Minister of Canada on February 2, addressed to Premier Barrette and reads as follows:

My dear Prime Minister:

I appreciate the constructive suggestions contained in your letter of January 21, and believe that they provide the basis for discussions which will assure agreement on the several aspects of grants to universities.

I am glad to learn that your government agrees to the general principle for settlement of the problem and if further clarification is needed to secure agreement in detail I feel that the best course to adopt would be to have early discussions between representatives of the two governments. If you are agreeable to such discussions I shall name the Honourable Donald M. Fleming to represent the federal government, and I await your reply as to when such a meeting can be arranged.

To that letter, the premier of Quebec replied on February 5, as follows:

My dear Prime Minister,

I have just received your letter of February 3rd in reply to the communication which I had recently addressed to you regarding the negotiations undertaken a few weeks ago between your government and ours on the subject of the grants to the Quebec universities.

The suggestion which you make that I should meet the Honourable Donald M. Fleming, acting as representative of the Federal Government, and the speed with which you have replied to my letter, allow me—I presume—to anticipate that very soon you and I will be in a position to announce that the already expressed hope of a settlement regarding the grants to the universities has been realized.

Subject to a few hours' notice, I shall accordingly be very happy to meet the Honourable Mr. Fleming at his convenience at Quebec if it can be arranged.

I might be able to meet your representative in Montreal, but I could hardly state for certain when such a meeting could take place inasmuch as I am continually retained in Quebec during the session, which is now reaching its most active period.

If the Honourable Mr. Fleming is prepared to come to Quebec I should be extremely thankful if he would accept my invitation, and I would reiterate that for the reasons which I have just explained I am very sorry to be unable to meet him half-way.

Sincerely yours,
Antonio Barrette

That is the complete correspondence between the two governments. There is nothing else at all in writing between the two governments.

Following receipt of that final letter from Premier Barrette—

Mr. Pickersgill: Would the minister permit a question about the correspondence he has

read? Could the minister tell us, just as a matter of fact, whether the announcement by the Prime Minister that Mr. Barrette forecast in his last letter was ever made?

Mr. Fleming (Eglinton): Mr. Chairman, the hon. gentleman is a little impatient and is anticipating. I am giving an account of the discussions.

Following receipt of that final letter from Premier Barrette I went to meet him in Quebec. I was very happy to go to Quebec for that purpose. By that time, as hon. members are aware, the government of Quebec, in exercise of its constitutional rights, had already introduced into the legislature of Quebec that government's program of legislation. That program was introduced without any attempt to secure leave on the part of anyone else, and there never was any reason that it should. The province of Quebec is a sovereign province. The legislature of Quebec is, within the provisions of the British North America Act, a sovereign legislature and the government of Quebec exercises at all times its right to submit legislation to the legislature of that province without seeking leave or licence on the part of anyone else in the world. That is precisely what the government of the province did. As indicated in some of the letters which I have read, that was a decision taken by the Quebec government.

They decided they would proceed with their program of legislation regardless of what might be the outcome of the discussions with the federal government. The meeting which I had the honour of holding with Premier Barrette in Quebec, therefore, offered an opportunity on my part for acquainting myself in greater detail with the effect of the bills then standing before the legislature of Quebec, having been already introduced there. It also afforded an opportunity on the part of Premier Barrette to be given full information as to the intention of the government of Canada in relation to the legislative proposals which are now embodied in the bill under debate in this committee.

There is no secret about anything; there is nothing mysterious about it. I have given to the committee everything that has been exchanged in writing between the governments and I point out that both governments understood the legislative intentions of the other, and each proceeded in the exercise of its constitutional rights and in obedience to its constitutional responsibility. That is the position in which the matter stands.

So far as the legislature of Quebec is concerned, I am sure hon. members are aware that the bills which were then standing on the order paper of the legislature were subsequently adopted in that legislature and received royal assent on the tenth day of March. Those bills provided for several matters, several facts of interest. Bill No. 60 provided for an increase in the provincial corporation tax from 9 to 10 per cent of the corporation profit. Bill No. 3 made provision for a sinking fund out of which capital grants might be made to the universities of Quebec to assist them with their building program. Bill No. 58 provided for payment of continuing grants equivalent to $1.75 per capita of the population of the province, and those amounts are distributable each year among the universities and institutions of higher learning of the province on the basis of student enrolment.

It is quite clear, therefore, that this program which was undertaken by the government of Quebec entirely on its own, of its own volition, and approved unanimously by the legislature of Quebec in the excercise of its sovereign rights, became law regardless of what this parliament chose to do with the federal legislation. This legislation to which I have referred is the law of the province of Quebec passed by the legislature of that province in exercise of its constitutional rights.

That program of assistance to the universities of the province has won the widest possible acceptance in the province of Quebec. It has won acclaim and the highest approbation from the presidents of the universities of that province, and it is quite clear that it goes far beyond the terms upon which the federal government, in light of the legislation in the bill now under debate in this committee, is permitted to increase from 9 to 10 per cent the abatement as against the federal tax.

That, Mr. Chairman, is the position. Not only is it perfectly clear that in light of the bill now under debate the province of Quebec has fully established its position as a prescribed province, but it has gone beyond that and done so in exercise of its own constitutional position, its own constitutional rights, and upon its own decision.

Mr. Chevrier: Mr. Chairman, may I ask the minister a question, but before doing so I would like to preface it with this statement. During the course of the last few minutes the minister has been talking to us about a number of bills in another place, and we are not concerned with them at the moment.

Some hon. Members: Oh, oh.

The Chairman: I am sorry to interrupt the hon. member but it is six o'clock. Apparently we have not unanimous consent to proceed.

(Translation):

Mr. Parizeau: Great comedian.

(Text):

Mr. Chevrier: Mr. Chairman, I hear the same objection on the other side of the house that I made a moment ago, and I now rise on a question of privilege.

An hon. Member: There is no question.

Mr. Chevrier: Yes, there is. I have been accused of being a "farceur", and told to sit down, and because of the interruption which was made and the statement I made, I would ask that the same treatment be meted out to me as I meted out to the hon. member.

The Chairman: Order. I did not hear that word but I am sure that if it has been pronounced the hon. member concerned will immediately withdraw it.

(Translation):

Mr. Johnson: Sit down, joker.

I said first, sit down joker. The hon. member for Laurier (Mr. Chevrier) was already seated. If he thought those remarks were addressed to him, I apologize and I withdraw them.

(Translation):

An hon. Member: Touché.

Business of the House

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I ask the house leader what the business is for tomorrow and perhaps at this stage he could give some indication as to what the business will be on Monday.

Mr. Churchill: Mr. Speaker, I find it easier to announce on Thursday night the business for the next week.

Mr. Chevrier: That is satisfactory.

Mr. Churchill: Tomorrow we will continue the discussion of Bill No. C-56 to amend the Federal-Provincial Tax-Sharing Arrangements Act followed by the three remaining budget resolutions. If the house were to make progress on those we would then take Bill No. C-57, an act to amend the Trans-Canada Highway Act which is now in the committee stage. If the three items I mentioned were to be cleared up this week it would represent a very fair week's work.

It being three minutes after 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:

GROUP SURGICAL-MEDICAL INSURANCE PLAN, PUBLIC SERVICE

Question No. 363—**Mr. McIlraith:**

1. What are the charges made to employees in the public service of Canada under the group surgical-medical insurance plan for (a) basic benefit of $9 per day; (d) basic benefits with hospi- of $3 per day; (c) basic benefits with hospital benefit of $9 per day; (d) basic benefits with hospital benefit of $12 per day?

2. What are the charges made to persons entitled to pensions based on service in the public service of Canada for (a) basic benefits; (b) basic benefits with hospital benefit of $3 per day; (c) basic benefits with hospital benefit of $9 per day; (d) basic benefits with hospital benefit of $12 per day?

3. What are the provisions of the major medical expense benefit available to employees in the public service of Canada?

4. What are the provisions of the medical expense benefit available to persons entitled to pensions based on service in the public service of Canada?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Single employees (a) $1.35, (b) $1.75, (c) $2.83, (d) $3.29.

Employees with one dependent (a) $3.65, (b) $4.70, (c) $7.62, (d) $8.85.

Employees with more than one dependent (a) $4.35, (b) $5.82, (c) $10.47, (d) $12.37.

2. Retired public service employees and retired members of the forces:

Single applicant (a) $3.40, (b) $4.60, (c) $7.84, (d) $9.22.

Applicant with one dependent (a) $6.86, (b) $9.26, (c) $15.74, (d) $18.50.

Applicant with more than one dependent (a) $8, (b) $10.65, (c) $18.17, (d) $21.32.

Widows of retired public service employees and widows of retired members of the forces:

Widow only (a) $3.79, (b) $5.11, (c) $8.67, (d) $10.18.

Widow with dependents (a) $4.83, (b) $6.38, (c) $10.87, (d) $12.74.

Widows of active public service employees and widows of active members of the forces: Widow only (a) $2.23, (b) $2.71, (c) $4.05, (d) $4.61.

Widow with dependents (a) $3.96, (b) $4.82, (c) $7.72, (d) $8.89.

3. Major medical expense benefit:

This benefit provides for payment of 80 per cent of the amount by which the total eligible expenses of a participant during a calendar year exceeds the sum of: (i) the amount paid under the surgical expense benefit and the diagnostic expense benefit in respect of the participant and (ii) the amount of the deductible.

Deductible—The deductible is the amount which the participant is required to pay in full before payment can be made under the major medical expense benefit. For a single participant this amount is $25 per calendar year; for a participant with dependents the deductible is $25 per calendar year for each member of the family except that—

(a) the maximum deductible in respect of expenses arising out of an accident involving more than one member of a family will be $25 for any one calendar year, and

(b) the maximum deductible for all members of a family collectively will be $50 for any one calendar year.

Maximum benefit—The maximum amount payable under the major medical expense benefit is $5,000 in respect of any one individual during such individual's lifetime. If, after at least $1,000 of benefits have been paid in respect of any individual, evidence of recovery satisfactory to the insurer is submitted, the individual maximum of $5,000 will be reinstated.

Eligible expenses—Eligible expenses include reasonable and customary charges for: physicians' and surgeons' services, including the services of radiologists, psychiatrists and other specialists; services of any nurse graduated from a recognized school of nursing who is not ordinarily resident in the participant's home or is not a member of the participant's immediate family; services of physiotherapists and psychotherapists; drugs and medicines prescribed by a physician and dispensed by a licensed pharmacist; bandages and surgical dressings; artificial limbs and eyes (except their replacement), crutches, splints, casts, trusses, braces; provided the accident or circumstances originating the condition which required the items took place while the person was insured; radiation therapy; blood transfusions; professional ambulance service, when recommended or approved by a physician or surgeon, or any type of transportation service when required in case of emergency, to the nearest hospital qualified to provide treatment for the injury or sickness; provided that in the opinion of the insurer the use of such service is justified; rental of wheel chair, hospital bed, iron lung, or other durable equipment, required for temporary therapeutic use; provided that in the opinion of the insurer such rental is justified; oxygen and its administration; services for conditions resulting from pregnancy which are not covered by the surgical or diagnostic expense benefit because of their association with pregnancy; dental services and

supplies administered by a dental surgeon for treatment of accidental injuries to natural teeth, including replacement of such teeth, or for the setting of a jaw fractured or dislocated in an accident, in excess of the charges payable under the surgical expense benefit; services and supplies other than those enumerated above which may be included at the discretion of the insurer.

4. Medical expense benefit:

This benefit provides for payment of 80 per cent of the amount by which the total eligible expenses of a participant during a calendar year exceed the deductible.

Deductible—The deductible is the amount which the participant is required to pay in full before payment can be made under the medical expense benefit and is applicable to each individual in each calendar year. For

Question

a single participant this amount is $25 per calendar year; for a participant with dependents the deductible is $25 per calendar year for each member of the family except that—

(a) the maximum deductible in respect of expenses arising out of an accident involving more than one member of a family will be $25 for any one calendar year, and

(b) the maximum deductible for all members of a family collectively will be $50 for any one calendar year.

Eligible expenses—are defined as reasonable and customary charges of licensed physicians for calls at the patient's home, at the hospital or at the doctor's office in connection with treatment of injury or illness, but do not include charges for surgery, post-operative care or treatment, drugs or dressings, or treatment in respect of pregnancy.

HOUSE OF COMMONS

Thursday, May 12, 1960

The house met at 2.30 p.m.

HOUSE OF COMMONS

MEETING OF CANADA-U.S. INTERPARLIAMENTARY GROUP—U.S. RESOLUTION OF APPRECIATION

Mr. Speaker: I expect to have the honour in a day or two to present the report of the third meeting of the Canada-United States interparliamentary group. In the meantime I have the honour to report the receipt from the ambassador of the United States of America of resolution No. S.308 of the Senate of the United States, passed on the 25th day of April, 1960, recording their appreciation of and satisfaction with the exchange visit which took place a few days earlier. By leave of the house I should like not only to table this resolution of the Senate of the United States but also to ask permission to have it printed as an appendix to *Hansard* today.

Some hon. Members: Agreed.

[*For text of resolution, see appendix*]

AUSTRALIAN TRADE AGREEMENT ACT

LEGISLATION IMPLEMENTING CANADA-AUSTRALIA AGREEMENT

Hon. Gordon Churchill (Minister of Trade and Commerce) moved the first reading of Bill No. S-28 (from the Senate), respecting a certain trade agreement between Canada and Australia.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

USE OF CANADIAN FIELDS BY U.S. RECONNAISSANCE PLANES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. In view of his statement yesterday to the effect that Canadian airfields had not been used by United States planes for aerial reconnaissance flights over Russia, will he comment on contrary statements emanating from Washington and reported in today's *Globe and Mail* in a news story by Philip Deane?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, yesterday I dealt with a dispatch by this same correspondent in Washington, and I pointed out the inaccuracies in his statement. I have nothing further to add today. If the hon. member for Laurier will compare the dispatch in the *Globe and Mail* of yesterday with the dispatch in today's *Globe and Mail* I think he will see that the same correspondent has merely taken the facts he put in yesterday's report, reduced them a little bit, and put them back again in today's report. This is, in effect, irresponsible and mischievous reporting. I gave the facts yesterday afternoon, and I have nothing to add to them today.

Mr. H. W. Herridge (Kootenay West): May I ask a supplementary question of the Acting Prime Minister, and I apologize for not so addressing him yesterday. In brief, then, this dispatch is incorrect?

Mr. Green: Well, Mr. Speaker, that is what I intended to convey by my remarks.

ATOMIC ENERGY

REPORTED PLAN BY U.S. TO SET OFF NUCLEAR DEVICES NEAR ALASKA

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I asked the former acting prime minister a question on May 5, and he said he would bring it to the attention of the present Acting Prime Minister and that I might get an answer on Monday of this week. Since I have not had an answer to date I should like to repeat my question.

Does the Acting Prime Minister care to comment on the report that the United States atomic energy commission has plans to set off four nuclear devices in the coastal area of Alaska? Has the Canadian government been informed of any such plan? Will Canada oppose such explosions prior to the conclusion of the proposed international agreement on nuclear testing?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, the project to which the hon. member refers is known, I believe, as project "Chariot". It is part of the United States atomic energy commission's "Plowshare" program for nuclear explosions for peaceful purposes. By its nature such a program would not be secret. A great deal of

information about it has, in fact, already been made public. From this information it appears that the particular project to which the hon. member refers is still under study, and that there is no immediate intention on the part of the United States to explode nuclear devices in Alaska.

The opposition of the Canadian government to nuclear tests is well known, and I have reaffirmed it on a number of occasions both inside this house and outside. I agree with what I take to be the implication in the hon. member's question, that nuclear explosions, particularly at this stage, might have a damaging effect on progress of the Geneva negotiations for a nuclear test treaty. The government has always stressed that it was especially important that no country should conduct any further nuclear tests whatsoever pending the conclusion of a treaty on nuclear tests.

Hon. Paul Martin (Essex East): May I ask a supplementary question. It is appreciated, of course, that the policy of the government of Canada is against tests, but has the Canadian government indicated to the United States government that with regard to the announcement of Sunday last, as to its intention to carry out certain underground tests, the Canadian government is opposed to that particular decision?

Mr. Green: Our opposition is thoroughly well known to the United States authorities. There has been no protest made with regard to this last statement. I am sure the hon. member for Essex East would not want us to be filing notes every day or two as these questions come up, particularly when our stand is very clearly understood in Washington and in the other capitals of the world.

Mr. Martin (Essex East): Does the minister not think that in matters of this sort we should not hesitate to file as many notes as the circumstances warrant?

Mr. Green: I honestly suspect, Mr. Speaker, that if the hon. member were in my position he would do exactly the same as I would do.

Mr. Hazen Argue (Assiniboia): In view of the minister's welcome statement, can he say whether the study of a possible nuclear explosion with regard to the Athabasca tar sands has now been terminated?

Mr. Green: These are private firms involved in these studies and I do not know whether or not the study is still going on. As the hon. member will recall, the government has taken a firm stand against these explosions.

[Mr. Green.]

FINANCE

DISCOUNT ON U.S. COINS—ACTION TO OFFSET ADVERSE TOURIST PUBLICITY

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Northern Affairs and National Resources. With the tourist season rapidly approaching, does the government propose taking any action to offset the unfavourable publicity that has resulted throughout the United States from the action of our chartered banks in charging an extra discount on United States coins?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): The government has already participated in plans with the Canadian tourist association and the banks in order to try to reduce the effects of this publicity, to point out to the people of the United States some of the facts with regard to the law of supply of money, and also to adopt policies this summer that will alleviate this situation.

Mr. Garland: I wish to ask a supplementary question. Have any representations been made by the government to have the chartered banks discontinue for the summer season at least their current policy of charging extra discount on United States coins?

Mr. Hamilton (Qu'Appelle): I was not too clear on the first part of the question.

Mr. Speaker: In my opinion the supplementary question goes beyond the administrative responsibility of the government. As I understand it the chartered banks are acting on their own initiative, and there is no legislation which gives administrative responsibility to the government.

COMMONWEALTH RELATIONS

APARTHEID—INQUIRY AS TO FURTHER CONFERENCE OF PRIME MINISTERS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct to the Acting Prime Minister a question based on a news story in today's Montreal *Gazette*. Is it now the policy of the Canadian government to seek a further conference of commonwealth prime ministers at an early date as a possible method of avoiding a crisis within the commonwealth on South Africa's policy of apartheid?

Hon. Howard C. Green (Acting Prime Minister): The conference is still under way in London. I believe it will terminate tomorrow, and I expect that the Prime Minister will be reporting to the house on Monday.

BUSINESS OF THE HOUSE

REQUEST FOR EXPEDITION OF RETURNS TO ORDERS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I wish to address a question to the Acting Prime Minister; I am sure he will recall our interest in a matter of returns of parliamentary papers. Earlier this session I indicated that 50 per cent of the failures last session to comply with orders for returns related to one particular department. Yesterday there was tabled a return to a motion of mine which was passed early in the session of 1959, being motion No. 5 dated April 15, 1959. The return, as hon. members can see, is not unduly voluminous. The last item in the return is a letter dated April 10, 1959.

I wonder if the Acting Prime Minister, in accordance with the assurance of the Prime Minister will inquire into this matter and see whether there cannot be more expedition shown in recognition of the opposition's rights in these matters.

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, I shall be very glad to look into this. May I say we have tried very hard to improve on some of these bad habits into which the former government had fallen.

COMBINES INVESTIGATION ACT

ZINC OXIDE—INQUIRY AS TO RESTRAINING ORDERS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Justice and ask what action has been taken or is contemplated with respect to the recommendation of the restrictive trade practices commission for certain restraining orders against Zinc Oxide Company of Canada Limited, and Hudson Bay Mining and Smelting Company Limited arising from the report of that commission regarding the production and sale of zinc oxide.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the hon. gentleman was kind enough to give me notice yesterday of his intention to ask this question. I must apologize for not having obtained the full information. My recollection is that the report was referred to counsel and that on the advice of counsel no action was taken. I will be glad now to get a further report and give a fuller answer. I am sorry I did not get it for today.

Inquiries of the Ministry

LABOUR CONDITIONS

ATLANTIC PROVINCES—REQUEST FOR NOTIFICATION OF EMPLOYMENT OPPORTUNITIES

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Labour. In view of the information given to this house yesterday by the Minister of Citizenship and Immigration with regard to advertising in the British isles employment opportunities in certain trades, would the minister take into consideration the advisability of notifying the national employment offices of the Atlantic provinces in what parts of Canada opportunities exist for carpenters, plumbers, electricians and painters in order to enable those offices to find jobs for a large number of our 125,000 unplaced applicants who are qualified in such trades?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, my understanding in this matter is that the placement section of the unemployment insurance commission continually disseminates information about the areas in which certain people are required, depending on their classification, trades and knowledge. This exchange of information is carried on throughout the offices from one coast to the other at all times.

WIDENING OF SCOPE OF COMMITTEE DEALING WITH ELLIOT LAKE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce in his role as the saviour of Elliot Lake. Would the minister tell us whether the speculation about the committee's scope being widened to include Bancroft and Uranium City is true, and how this is going to fit into the operations of the committee?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, it is quite true. It will fit in admirably because these areas deserve the same consideration as Elliot Lake.

Mr. Hazen Argue (Assiniboia): A supplementary question, Mr. Speaker. Can the minister say when the report from this committee may be received by the government?

Mr. Churchill: An announcement will be made in due course, and action will be taken as it appears possible. Quite a bit of discussion has been going on with various business firms that are interested in the area. Decisions cannot be made solely by the government; action

must be taken in consultation with those firms. These things are going ahead, and we have hopes that quite a bit may be done for the areas that are affected.

As I mentioned earlier, the effort has to be made by the four groups concerned; the area itself, the mining companies and the two governments, this one and the government of the province of Ontario. We are finding excellent co-operation among all groups.

Mr. Argue: Mr. Speaker, I wonder whether the minister could relate his remarks to Uranium City, Saskatchewan. The survey is to be for the three of them, but I took it that the minister's remarks related to Elliot Lake.

Mr. Churchill: Uranium City, Saskatchewan, has been under consideration in the same way as the other two areas. Two representatives from Uranium City were in my office two days ago presenting a well-reasoned brief in moderate language, and I hope representatives of the government will visit Uranium City in the very near future to make contact with the people of that area.

LIVESTOCK

CATTLE AND LAMB—INQUIRY AS TO SUPPORT PRICES

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Agriculture, with regard to an announcement made today by the chairman of the agricultural stabilization board concerning the support prices for cattle and lamb, whether he is in a position to offer an explanation for the lower support given to lamb this year?

Hon. D. S. Harkness (Minister of Agriculture): I had expected the hon. member would have asked me to give an explanation of the higher support given to cattle this year, but he has chosen to go in the other direction. The explanation in each case is the same. As the hon. member knows, there is a mandatory support at 80 per cent of the level of average prices for the past ten years. That produced the two figures which, in pursuance of its obligations under the act, the stabilization board has released.

FLOODS

LAKE NIPISSING—INQUIRY AS TO CONTROL MEASURES

On the orders of the day:

Mr. J. R. Garland (Nipissing): With the inflow of water into lake Nipissing substantially in excess of double the outflow, can the Minister of Public Works give an assurance that everything possible is being done to minimize the danger of flooding and damage to the properties of the people who reside in that area?

Hon. D. J. Walker (Minister of Public Works): I wish to thank the hon. member for Nipissing for his question, and to say in reply that we have control of the dams forming the exit from lake Nipissing and that we are keeping an hourly watch, night and day, to try to control the situation as best we can. At the present time we are controlling it to the extent that we have almost flooded lake Nipissing; the east end of the lake is flooded. This is just a matter of too much water. Never in 30 years has precipitation been so great. It is really what the hon. member for Vancouver East (Mr. Winch) might call a *vice majeur* or an act of God, and in the circumstances we are doing all we can to control it.

PUBLIC SERVICE

INQUIRY AS TO APPOINTMENT OF COMMISSION OF INVESTIGATION

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I wish to address a question to the Minister of Finance, because recently he was, as we all realize, the best acting prime minister—for a day or so—that we have ever had. Could the hon. gentleman indicate whether there has been any progress, and if so with what results, in the matter of setting up the equivalent of a Hoover commission for Canada along the lines announced in the speech from the throne, No. 2, by the Prime Minister?

Hon. Donald M. Fleming (Minister of Finance): I am sure that when an announcement in this regard is appropriate, the Prime Minister will be pleased to make it to the house.

AIR TRANSPORT

CRASH LANDING AT MALTON—REQUEST FOR REPORT ON INVESTIGATION

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to address a question to the Minister of Transport. Is the minister in a position to give the house a report on the investigation into the crash landing of a Super Constellation aircraft at Malton last February 10?

Hon. George H. Hees (Minister of Transport): I wish to thank the hon. member for having given me notice of his intention to ask this question. I am advised by my officials that certain technical aspects

are still under investigation. It has therefore not been possible to complete a report on this accident.

SHIPPING

SMALL BOAT REGULATIONS—STATEMENT ON INQUIRY AS TO AMENDMENTS

On the orders of the day:

Hon. George H. Hees (Minister of Transport): May I take this opportunity to answer a question asked yesterday by the hon. member for Port Arthur regarding small boat regulations. No amendments or new regulations respecting licensing of small craft or their operators are contemplated for this boating season. It is proposed to raise the matter at the annual small boat conference to be held in Ottawa next fall under the auspices of my department. These conferences are attended by representatives of organizations and by private individuals interested in small boat safety.

Recommendations resulting from these conferences are submitted to departmental officials for consideration, and if accepted every effort is made to place them before the governor in council or before parliament, as the case may be, prior to the commencement of the next boating season. At last year's conference a system of voluntary licensing for small boat operators was suggested by my department, but the question was held over for further study. We are hopeful that at the next conference a system of voluntary licensing for small boat operators may be acceptable. It is important that the department should have the support of the boating public before proceeding with such a scheme. Departmental officials will be holding discussions on the matter with various boating organizations during the coming season.

Mr. H. W. Herridge (Kootenay West): May I ask a supplementary question. Can the minister inform the house how the invitations to this conference are sent out, and whether the question of life saving equipment will be discussed at the conference?

Mr. Hees: Mr. Speaker, speaking offhand I would say invitations are sent out to everybody we would know of who would be interested. If the hon. member knows of some individual or organization which has not been invited in the past and would like to be invited, if he will let us know we shall be glad to send an invitation. I feel sure that lifesaving equipment will be discussed.

Mr. D. M. Fisher (Port Arthur): What efforts have been made during the last boating season to get better police co-operation from other authorities in so far as the regulations that now exist are concerned, enforcing them across the country in the boating field?

Mr. Hees: We are always making every possible effort to get all the co-operation we can from all policing authorities.

QUEBEC—REQUEST FOR INQUIRY INTO ACCIDENT

On the orders of the day:

Mr. Louis Fortin (Montmagny-L'Islet): Mr. Speaker, I have a question for the Minister of Transport. I regret that I did not send him notice, and he can answer tomorrow if he wishes. I am going to ask my question in French so that he may have some practice in speaking French.

(Translation):

Is the minister aware that last Tuesday night, a ship was involved in an accident and ran aground a few miles off Quebec?

It was reported in *La Presse* yesterday that the captain of the ship involved in the accident had refused or neglected to seek the services of a licensed pilot.

I therefore ask the minister whether he is aware of this fact and whether his department intends to investigate the matter?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, may I be allowed to take this question as notice. I shall answer it tomorrow.

(Text):

HOUSING

NUMBER OF INSURED LOANS IN FIRST FOUR MONTHS OF 1960

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to address a question to the Minister of Public Works. Is the minister now in a position to advise the house as to the number of loans made by all approved lenders in the first four months of this year?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, in reply to the question by the hon. member for Nipissing, the requests that have come to the Central Mortgage and Housing Corporation for insurance from approved lenders, that is life insurance companies, trust companies and loan companies other than banks, up to May 6, 1960, amounted to 4,023 loans; up to May 6, 1959 they amounted to 5,737.

It will be interesting to the house to learn that in the week ended May 6 there were 668 approved loans as against 576 in the same week last year, so that the number of lenders are stepping up their participation

materially. I should add, however, that the banks made only a nominal effort to participate in this enterprise.

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to ask a supplementary question. The Minister of Public Works has indicated that the banking contribution was a nominal one. Can he indicate specifically what their contribution was? And having in mind my question to the minister, when we were discussing legislation in this field, as to their contribution, will he indicate at what point he might perhaps review, as he promised, the role of the banks in this field?

Mr. Walker: Mr. Speaker, the debate on housing was terminated some time ago. I know my hon. friend on his infrequent returns to the house likes to raise it again. I should be glad to reply to these questions during the discussion of my estimates. In the meantime, the policy of the government in regard to housing and also in regard to loans for houses is under constant review. To date the participation of the banks, as my friend must know from the reports which are made from time to time, has amounted to 34.

Mr. M. W. Martin (Timmins): I should like to ask a supplementary question of the Minister of Public Works. Has any reason been given by the banks to the departmental officials, or has any effort been made by the departmental officials, to find out the reason the banks have dropped participation in this housing field by about 90 per cent over last year?

Mr. Walker: Mr. Speaker, we have had no official information from the banks as to why they are not participating. Of course the hon. member for Timmins is aware that the interest rate under the Bank Act is limited to 6 per cent, and any Central Mortgage and Housing Corporation loan would be governed by that existing rate of 6 per cent; whereas other approved lenders are allowed to charge 6¾ per cent. That, no doubt, would be some indication of one of the reasons the banks are not participating. As a matter of fact I think all parties in the house were agreed—at least I have not found anybody to say otherwise—that the banks should not have their rate under the Bank Act increased to 6¾ per cent.

Mr. Martin (Timmins): Can the minister inform the house whether his department has approached the banks in this matter in an effort to see whether the limit of 6 per cent is—

Mr. Speaker: Order. The hon. member has already asked that question, and it seems to me he is now trying to put his question in terms of what might be called an argument, that might lead to a debate, which would be improper at this time.

[Mr. Walker.]

(Translation):

INTERNATIONAL TRADE FAIR

REQUEST FOR COMMENTS OF ASSOCIATE MINISTER OF NATIONAL DEFENCE

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, before directing a question to the Associate Minister of National Defence, I wish to welcome him on his return to Canada. I should like to ask whether he has any comments to make about his trip to Paris with regard to the world fair which was supposed to be held in Montreal.

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I thank the hon. member for Levis for his words of welcome on my return to the house. I feel that all necessary comments have already been made on what took place in Paris with regard to the 1967 world fair.

All I wish to say is that all those who dealt with this matter—delegation members as well as public relations officers—spared no effort in the performance of their duties and surely Canada can feel proud of the fact that everything was done with the greatest possible amount of fair play, at least on their part.

(Text):

INDUSTRY

SMALL CARS—STATEMENT ON REPORTED TREASURY BOARD DIRECTIVE RESPECTING GOVERNMENT PURCHASES

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, yesterday the hon. member for Essex East (Mr. Martin) asked me a question which I declined to answer at the time. The question was as follows—

Mr. Martin (Essex East): You did answer it.

Mr. Fleming (Eglinton): No.

Mr. Martin (Essex East): Yes, you did.

Mr. Fleming (Eglinton): The question was:

> Will the minister say whether a directive has been issued by the treasury board or any other government body instructing departments of the Canadian government to buy small cars instead of big ones?

Mr. Martin (Essex East): The minister answered no.

Mr. Fleming (Eglinton): To the inquiry as to whether I would make a statement I replied "no". The hon. member then asked whether I would make an inquiry to see if any such directive had been issued by the treasury board. I have done so and, Mr. Speaker, no such directive has been issued by the treasury board. The matter has not been before the treasury board. However, on further inquiry I found that a directive was issued by the government motor vehicle committee, which is an interdepartmental committee.

I concluded, Mr. Speaker, that the hon. member's question was prompted by a question and answer in the standing committee on estimates on May 10, and here I think the former deputy minister of national health and welfare, now the deputy minister of citizenship and immigration, spoke under a misunderstanding. In that respect he was asked as to whether—

Mr. Pickersgill: I am rising on a point of order. Surely it is contrary to the rules of this house to refer to the proceedings—more particularly to quote the proceedings—of a committee before that committee has made a report.

Mr. Chevrier: Hear, hear.

Mr. Speaker: Yes.

Mr. Fleming (Eglinton): Let me make clear at once that I have no intention of reading the proceedings of the committee; I was simply wishing to point out at the present time what appeared to be the origin of the misapprehension of the hon. member for Essex East in this respect. In fairness to him I think the misapprehension was based upon—

Mr. Martin (Essex East): Don't worry about the member for Essex East.

Mr. Fleming (Eglinton): —the statement made by the deputy minister, which was not quite accurate; and, as we all know, the deputy minister would not intentionally make an inaccurate statement. I would want to say that—

Mr. Speaker: In order to dispose of the point of order, it is not usual to refer to or use or quote in the house the proceedings of a committee until it has reported. I daresay the minister will be able to deal with the matter without doing so.

Mr. Fleming (Eglinton): Yes. I have indicated the reason for this passing reference, Mr. Speaker. As far as the contents of the directive are concerned, perhaps I should say it indicated that departments should give serious consideration to the use of compact cars, that is to say the new small cars, in place of larger cars where the smaller cars may serve the purposes of departments.

The hon. member for Essex East then proceeded to ask this question:

> Will the minister see that the direction is negated at once, because obviously it is at serious variance with the interests of Canadian workers?

I think the hon. gentleman is under a misapprehension. This directive is not applicable to imported compact cars. It applies to compact cars of Canadian manufacture, so it cannot be said that the directive does any harm to Canadian workers employed in the automobile industry. It is intended that departments should examine the possibility of achieving economies in the purchase price and cost of operation of motor cars where it is found that the smaller or compact cars will meet their requirements.

Mr. Chevrier: Mr. Speaker—

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. In view of the statement made by the Minister of Finance in his compact reply, may I ask the Postmaster General to explain why, in the light of this answer, a foreign-made truck carries the mail from the Ottawa post office to Uplands airport?

Hon. W. M. Hamilton (Postmaster General): Such transport is done by contract with an independent trucking company, which is quite free to use the vehicles it has in its service.

Mr. Chevrier: Mr. Speaker, my only purpose in rising a moment ago was to ask whether the 40-minute rule applies to ministers answering questions.

Some hon. Members: Oh, oh.

Mr. E. J. Broome (Vancouver South): I should like to direct a supplementary question to the Minister of Finance.

Mr. Speaker: Would the hon. member for Vancouver South begin again, please? I think the first part of his question was lost.

Mr. Broome: I have a supplementary question for the Minister of Finance. With regard to the best interests of Canadian workers and the purchase of automobiles, will the minister take into consideration the fact that the province of British Columbia is dependent to a great extent upon export trade, and that the interests of our workers are just as important as the interests of the workers in Windsor or Oshawa?

Mr. Benidickson: Some Japanese trade, too.

Mr. Speaker: The hon. member has produced an argument, but not at the right time or place.

Inquiries of the Ministry

[*Later:*]

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I have a supplementary question for the Minister of Finance with reference to the reply he gave as to the directive concerning compact cars. Can he tell the house whether that directive also applies to cars in use by ministers?

Mr. Fleming (Eglinton): Ministers of the crown are not provided with transportation at the expense of the treasury. Many years ago ministers were deprived of any such transportation, and they are now responsible for providing their own.

Mr. Winch: Two thousand dollars a year.

Mr. Fleming (Eglinton): All members of the house enjoy an expense allowance.

Mr. Caron: Does the minister believe that the $2,000 a year is not to meet the expense of a car?

Mr. Fleming (Eglinton): It was provided some years ago, I think actually about 28 years ago, when the use of a motor car and chauffeur therefore provided for ministers of the crown was withdrawn. The so-called transportation allowance has remained at $2,000 in the meantime. I do not know whether the hon. member would care to say how far $2,000 would go today in providing for a full year's use of a motor car, its running expenses and a chauffeur.

UNEMPLOYMENT INSURANCE

MONTREAL—REPORTED INSTRUCTIONS TO OFFICIALS RESPECTING UNEMPLOYED

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Labour. Has he been able to obtain information respecting the question I asked yesterday on the orders of the day?

Hon. Michael Starr (Minister of Labour): Yes, Mr. Speaker. I have looked into the matter that the hon. member for Laurier brought to the attention of the house yesterday on the orders of the day, and I have information from the regional office in Montreal to the following effect.

No change has been made or is being made or is contemplated in the practices or procedures in dealing with claimants in any of the Montreal offices of the unemployment insurance commission. I understand that the question asked by the hon. member was based on an advertisement published in a Montreal newspaper and paid for by the Liberal party as part of their propaganda in the forthcoming provincial election.

[Mr. Speaker.]

I should like to inform the hon. member for Laurier that I do not appreciate his efforts to involve the unemployment insurance commission in this political situation, nor do I consider them helpful so far as unemployment is concerned. I might add that the photograph which appeared in the advertisement was taken early in the morning before the office opened.

I make these facts available to the hon. member, Mr. Speaker, in case he is not aware of them.

Mr. Chevrier: Mr. Speaker, I should like to tell the hon. gentleman at once that I based my question—

Some hon. Members: Question.

Mr. Speaker: Order. If the hon. member has a statement to make it should be as a point of order or privilege.

Mr. Chevrier: I make it as a question of privilege. The minister has stated that my question was based on a political advertisement of the Liberal party—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I think the hon. member is entitled to comment on the statement made by the minister.

Mr. Chevrier: —which statement, Mr. Speaker, is entirely erroneous. When I asked the question yesterday I held in my hand, to be seen by everybody here, a statement which appeared in *Le Devoir* and I put my question to the minister in French. There was no picture and no advertisement. It had absolutely nothing to do with the Liberal party, and the minister should know that I asked the question for information. Furthermore, the unemployment situation in Montreal is very serious at the moment—

Some hon. Members: Oh, oh.

Mr. Chevrier: —and the minister is not doing nearly as much as he should be doing.

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member went a bit beyond his question of privilege. I did not hear the last of what he said, and I daresay the reporter did not either.

UNITED NATIONS

REPRESENTATIONS BY CANADIAN WELFARE COUNCIL RESPECTING REFUGEES

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Acting Prime Minister whether the government has made any progress in the

negotiations with the provincial governments with respect to the representations by the welfare council regarding health and welfare care for refugees sponsored privately during world refugee year and, if so, whether he can give any report to the house?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, I will have to make inquiries about that question.

Mr. Pickersgill: I wonder whether the Acting Prime Minister would permit me to ask a supplementary question. Would the government give consideration to the possibility of having this residual care undertaken by the federal government if it is not possible to reach agreement with the provinces?

Mr. Green: Well, Mr. Speaker, the whole broad question is under consideration.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

ALTERNATIVE ARRANGEMENTS FOR UNIVERSITY GRANTS—EXTENSION OF INDIVIDUAL INCOME TAX RATE

The house resumed, from Wednesday, May 11, consideration in committee of Bill No. C-56, to amend the Federal-Provincial Tax-Sharing Arrangements Act—Mr. Fleming (Eglinton)—Mr. Flynn in the chair.

On clause 1—*Amendment of agreements.*

Mr. Chevrier: Mr. Chairman, at just about the time of adjournment last evening I was prepared to put a question to the minister. I should like to ask the question at this time but before doing so, in order that there might be no misunderstanding, perhaps I could just refer the minister to two lines of his statement which are to be found on page 3802 of *Hansard* of May 11, 1960:

> They decided they would proceed with their program of legislation regardless of what might be the outcome of the discussions with the federal government.

I take that to mean that, notwithstanding what was going to be put in the bill now under consideration, the provincial government of Quebec would proceed on their own with their own legislation. A little later in the same paragraph the minister said, referring to the meeting which he had with Mr. Barrette:

> It also afforded an opportunity on the part of Premier Barrette to be given full information as to the intention of the government of Canada in relation to the legislative proposals which are now embodied in the bill under debate in this committee.

I wonder whether the minister would give us a little more clarification on that. Did Mr. Barrette tell the Minister of Finance that he was satisfied with this bill? I take it that the bill now under discussion was shown to him, that he saw it, and I ask the minister what Mr. Barrette's reaction was, whether he declared himself satisfied with its content.

Mr. Fleming (Eglinton): I made a very ample statement on this subject yesterday, going far beyond anything that is required, doing so only under protest because of the fact that so much latitude had been allowed. I considered the entire proceedings were out of order. I think I have made quite an ample report on the discussions to which reference has been made.

Mr. Chevrier: Mr. Chairman, although the minister vigorously criticized the fact that I referred to a portion of two letters, he then proceeded to put on *Hansard*—which was a very extraordinary thing and took over 30 minutes—all the correspondence that took place between the two levels of government. What I am asking him now is a matter which has reference to some of the correspondence which he put on record. The minister has not answered the question. Surely we on this side of the house are entitled to know whether, in his discussions with the premier of Quebec, the premier was shown the contents of this bill, and whether he gave his approval of its contents.

Mr. Fleming (Eglinton): I read the correspondence yesterday and placed the full information on record, whereas the hon. member had jumped around between two or three letters making some selections from the correspondence. I refer him to the letter which I read yesterday, dated December 14, 1959, from the late Premier Sauve, in which he said:

> As I mentioned to you last October, the Quebec government has decided to request the provincial parliament, during the present session—

—to do certain things. "Has decided" I draw those words to his attention. There are similar expressions elsewhere. The present bill was not in existence at the time, although we were well aware of what the bill would contain when introduced, and the legislative intentions of the two governments were discussed in a very understanding manner.

Mr. Chevrier: Then do I understand from the minister's last answer that while the bill was not ready and was not shown to the premier of Quebec at the time, he was told of its contents?

Mr. Fleming (Eglinton): He was told of the legislative intention of the federal government in its approach to this question.

Mr. Bourget: May I pursue that question and ask the Minister of Finance whether Mr. Barrette at any time told the minister that

this new compromise, new formula, call it whatever you like, was acceptable to the province of Quebec?

Mr. Fleming (Eglinton): I think the hon. gentleman is still labouring under a misapprehension, or else he did not follow what I endeavoured to convey yesterday. I stressed yesterday that the premier of Quebec had made it quite clear that the provincial government already had a legislative program with respect to matters affecting education and grants for that purpose in Quebec, and taxes for that purpose. I referred in my remarks yesterday to the three measures which, with others, were then pending before the legislature of Quebec. I indicated what the premier had said, and his remark was in accord with the position that had been taken by the late Premier Sauve in his correspondence, that it was the intention of the Quebec government to proceed with that legislative program regardless of what course of action might be taken in this parliament in relation to the whole subject matter of federal grants to universities.

Mr. Bourget: That is quite correct; I think the minister is talking about the legislation that was passed in the local legislature. We are asking about the new formula that is embodied in the bill. I understood that this new formula was put in the bill to satisfy the province of Quebec. I believe we are entitled to know from the minister whether the province of Quebec approved of that formula as it is embodied in this bill. This question has nothing to do with the four or five bills that were passed in the local legislature.

I shall repeat my question. Has the premier of Quebec, Mr. Barrette, at any time, orally or in writing, accepted the formula as it now appears in Bill No. C-56?

Mr. Fleming (Eglinton): I have had no correspondence or communication with Premier Barrette on this matter over the past couple of months. I have had no communication from him with respect to the terms of this bill now under discussion. I pointed out yesterday that in the light of the action the legislature took at its recent session, there is no question whatever that under this bill the province of Quebec would fully qualify as a prescribed province, and therefore the federal tax abatement with respect to the federal corporation tax on federal taxpayers in the province of Quebec would apply to the 10 per cent rate of tax as it has hitherto applied to the 9 per cent rate. I believe that is quite clear.

[Mr. Bourget.]

The steps taken in the Quebec legislature have gone far beyond the terms of the measure now under discussion.

Now, Mr. Chairman, the hon. member for Levis, following up the question that was raised yesterday by the hon. member for Laurier, keeps asking if there has been some agreement on this matter. I think, if I may say so, they are labouring under some misapprehension in this regard. This bill does not depend upon some agreement between governments. All this bill does is provide an alternative method of meeting the problem that has arisen because legislation of this parliament up to the present time provided federal grants to universities on a direct basis.

In the case of a prescribed province the situation is this. Here again, Mr. Chairman, I say that I am speaking on this subject at this point under protest, because I think this whole discussion is not referrable to clause 1 of the bill but to clause 2. However, I have been pressed on this matter repeatedly and hon. members go on taking hours discussing it on clause 1. I am therefore going to say this about it under that protest.

This method does not involve or hinge upon agreements between governments, any more than the equalization payments under the Federal-Provincial Tax-Sharing Arrangements Act depend upon agreement between governments. These equalization payments are paid to the province of Quebec, which has entered into no agreement with the federal government in pursuance of the provisions of this act. Those are payments that are made under the provisions of this act even in the case of provinces that have entered into no agreement whatever with the federal government.

Similarly, in the case of a prescribed province under the amendment now proposed, there is no contemplation of an agreement between the federal and provincial governments in that situation. All that the bill is dealing with in that situation is in relation to a federal abatement of a federal tax payable by federal taxpayers in the province of Quebec. That is clearly a matter for federal legislation and clearly a matter of federal jurisdiction beyond any question.

Then there is provision for the accounting at the end of the year so that the charge on the treasury remains the same. Accordingly, in the case of a prescribed province—again taking the case of the province of Quebec—if at the end of the year it is found, as undoubtedly would be the case, that the federal tax abatement exceeds the equivalent of $1.50 per capita of population, the difference

will be deducted by the federal government from the federal equalization payment provided under the terms of this federal legislation, namely the Federal-Provincial Tax-Sharing Arrangements Act.

Hence, Mr. Chairman, you see there is no contemplation of any agreement. Nothing of that kind is involved, any more than there was with respect to the provision made for equalization payments.

Mr. Chevrier: I think the minister has made it quite clear that this bill is to provide an alternative. Am I right in assuming that is what the minister has said?

Mr. Fleming (Eglinton): Yes.

Mr. Chevrier: And the minister has also said there is no contemplation of an agreement. In other words, I think what the minister has in mind is that the province would proceed with its own legislation and Ottawa would do likewise, the one in its field and the other in its field. But although the minister keeps repeating that there is no agreement, the correspondence shows otherwise. The letter written to the premier of Quebec by the Prime Minister of Canada states as follows:

> I am glad to learn that your government agrees to the general principle for settlement of the problem and if further clarification is needed to secure agreement in detail—

And so on. Hence the Prime Minister of Canada certainly had in mind that there was to be an agreement in detail. The reply which came from the premier of Quebec certainly indicates the same thing, because in his letter to the Prime Minister of Canada of February 5, 1960 he states as follows:

> —I presume—to anticipate that very soon you and I will be in a position to announce that the already expressed hope of a settlement regarding the grants to the universities has been realized.

So the Prime Minister of Canada had in mind an agreement and the premier of Quebec had in mind a settlement. If we go a step further, from the words of the Solicitor General here in the House of Commons on at least two occasions we realize that Mr. Barrette, the premier of Quebec, had approved these arrangements because—and I quote from page 3286 of *Hansard* of April 26, 1960 where the Solicitor General states as follows:

(Translation):

> We have kept our word admirably, because Premier Barrette himself believed that this bill is consistent with the terms of Mr. Duplessis' proposal, which was submitted again by Mr. Sauvé, and later by Mr. Barrette himself.

(Text):

Hence it cannot be both. Here the Solicitor General, by implication, clearly states that this is taking up the terms of the proposal of former Premier Duplessis. I do not think there can be any doubt about that matter. Therefore, in view of what the Minister of Finance has said, I think the committee should know whether or not the premier of the province of Quebec agreed to the conditions as set out in this bill, and more particularly in clause 2.

The Chairman: Shall clause 1 carry?

Mr. Martin (Essex East): I have a question I should like to ask the Minister of Finance. I have been following this debate with great interest and it seems to me there are one or two questions which, if completely replied to by the minister, would give us the satisfaction of knowing something that obviously we do not know from what the minister has said. Can the minister say this? In view of the fact that he had a discussion with the premier of Quebec, although it is clear that he did not show him the bill because he said it was not ready, is it clear that the provincial premier knew that the province would have to impose a tax of at least 1 per cent on corporate income? Can the minister say whether there is any doubt as to whether the premier had an appreciation in that particular?

Mr. Fleming (Eglinton): Mr. Chairman, the premier of the province of Quebec did not know that, because it is not a fact.

Mr. Martin (Essex East): Oh, oh.

Mr. Fleming (Eglinton): There is nothing here that says the province of Quebec must impose an additional tax.

Mr. Martin (Essex East): It certainly does.

Mr. Fleming (Eglinton): The province of Quebec, in the exercise of its constitutional rights, chose to increase from 9 per cent to 10 per cent the provincial tax on corporation profits. It is an incident of the present bill, if it is enacted by parliament, that in the case of a prescribed province the principle of tax abatement provided in the Federal-Provincial Tax-Sharing Arrangements Act throughout its life will apply in that circumstance to a 10 per cent rate rather than the 9 per cent rate.

What could be simpler than that? Nobody has told the province of Quebec that it must do anything. The province of Quebec does not accept dictation from anybody. I hope the hon. gentleman, who was a member of the last government, has learned that lesson sufficiently. I can assure him that this government will never be putting before parliament any legislative proposal, any suggestion or any course of action that involves, directly or indirectly, or by any stretch of the imagination, any attempt at dictation to any province.

Some hon. Members: Carried.

Mr. Chevrier: I wish the Minister of Finance would clear up one point for me. He has said that the premier of Quebec did not see the bill. Is that a fact? The Solicitor General says he has.

Mr. Balcer: No, no. On a point of order, Mr. Chairman, I never said at any time that the premier of Quebec had seen the bill or approved it. I would like the hon. member for Laurier to withdraw his remark.

Mr. Chevrier: I will not withdraw.

Mr. Johnson: Withdraw or prove it.

Mr. Chevrier: Just a moment. I am going to put on the record the words of the Solicitor General.

Mr. Balcer: Please do.

Mr. Chevrier: What I have said is that the Minister of Finance stated that the premier of Quebec did not see the bill, but that the Solicitor General—

Mr. Fleming (Eglinton): On a point of order, Mr. Chairman, perhaps the hon. gentleman would be good enough to give my statement in full. I was speaking as of the time of our meeting, and the question that was put to me was whether at that meeting the premier of Quebec saw the bill. I pointed out that the bill was not fully drafted at that time. I do not know what the premier has seen since. He does not consult me about his reading habits.

Mr. Chevrier: No, but my hon. friend raised his point of order when I was attempting to explain the statement I had made earlier. I was interrupted by the Solicitor General, who objected to what I had said. I now propose to again put on *Hansard* the exact words of the Solicitor General. I think I understood the Minister of Finance aright when he said that at his earlier meeting, before the bill was drafted, the premier of Quebec had not seen it. Is that not correct?

Mr. Fleming (Eglinton): Yes, I said before the bill was fully drafted. I was asked if I had shown the premier the bill at that time, at our meeting in February. I said no, that the bill was not fully drafted. We discussed the legislative intentions of the government in reference to this project.

Mr. Chevrier: The Solicitor General has not taken that position but the very opposite one. I do not want to be unfair to him in any way whatsoever. I want to put on *Hansard* what he said, because there can be no other inference from these words but that the premier of Quebec had approved the bill; and at two places on page 3286 of *Hansard* of April 26, 1960 does that appear, wherein the Solicitor General said:

(Translation):

It was the Hon. Paul Sauvé who submitted that positive proposition—

[Mr. Fleming (Eglinton).]

(Text):

That can mean nothing other than the one mentioned in the correspondence between the premiers and afterwards included in this bill. I continue:

(Translation):

It was the Hon. Paul Sauvé who submitted that positive proposition.

(Text):

We all know that. I continue:

(Translation):

Federal ministers discussed it with Mr. Sauvé and, at the time of his tragic death, only a few details remained to be worked out, which was done during a private interview between Mr. Antonio Barrette, Mr. Sauvé's successor, and the Minister of Finance, sponsor of the bill which is now before us.

(Text):

Is there anything clearer than that? Is that not indicative of the fact that the premier of Quebec approved of the bill? Not satisfied with that, the Solicitor General goes a step further and states:

(Translation):

We have kept our word admirably, because Premier Barrette himself believes that this bill is consistent with the terms of Mr. Duplessis' proposal, which was submitted again by Mr. Sauvé and later by Mr. Barrette himself.

(Text):

I do not understand the French language or the English language—

Some hon. Members: Hear, hear.

Mr. Chevrier: —because the translation indicates the same meaning—unless that is the meaning to be derived therefrom. In my opinion there is no doubt but that the Solicitor General has indicated by that statement that Mr. Barrette approved of the bill.

Mr. Balcer: Mr. Chairman, for the last two or three days the hon. member for Laurier has come across with about fifteen different interpretations of the same sentence I uttered on April 26. Every time I have had to ask the hon. gentleman to come back to the text; but after coming back to the text, the moment he has finished reading the sentence he has always concluded with some extraordinary statement which does not conform with what I have said.

I never said in this statement that when Mr. Barrette met the Minister of Finance he had seen the bill, or that the minister had shown him the bill and Mr. Barrette had said it was a good one and gave it his approval. I do not know at all whether Mr. Barrette has seen the bill. Perhaps I should say I did not know at that time, but I know now that the Minister of Finance states that the premier had not seen the bill. I am taking the word of the Minister of Finance. I would like the hon. member for Laurier to stop placing on my words interpretations that do not conform with the truth.

Mr. Chevrier: Will the Solicitor General answer one or two questions in connection with the statement he has made; because as I read it he said:

(Translation):

We have kept our word admirably, because Premier Barrette himself believes that this bill is consistent with the terms of Mr. Duplessis' proposal, which was submitted again by Mr. Sauvé, and later by Mr. Barrette himself.

Was Mr. Duplessis' proposal to the effect that the province of Quebec would be bound by the agreement?

Mr. Balcer: Not at all, Mr. Chairman.

Mr. Chevrier: Bound by the agreement contained in the bill? Was that Mr. Duplessis' proposal?

Mr. Balcer: Mr. Chairman, I repeat, there has been no agreement between the province of Quebec and the federal government. No agreement was necessary. The province of Quebec adopted its own bill, and then we proposed ours. We said this yesterday, and the Minister of Finance (Mr. Fleming) repeated it.

I appreciate that the hon. member would perhaps prefer that there would be one, but those are the facts. We are demanding nothing from the province of Quebec. The province has already adopted its own bill, whereas ours has not been adopted yet.

Mr. Chevrier: Do you want to answer?

The Chairman: Order.

An hon. Member: He cannot explain the situation; he does not understand anything.

Another hon. Member: He does not want to understand.

The Chairman: After listening to the remarks of hon. members, I must say that all along the discussion has dealt with section 2, which is not relevant to section 1 of the bill, any more than it is to the general debate that can be allowed on section 1.

Furthermore, I would remind some members that standing orders do not allow continuous repetition of the same arguments. I would ask the hon. members to stick to a discussion that is relevant to section 1.

Mr. Brassard (Lapointe): On a point of order, Mr. Chairman. I appreciate that members are not allowed to keep coming back to the same question but, on the other hand, are some Conservative members of the province of Quebec—not all of them, fortunately—allowed to act in the unseemly way they are now doing, in this house?

The Chairman: I do not know just what the hon. member for Lapointe has in mind. If he has some definite situation to point to, I will give my ruling in the matter. For the moment, I would ask committee members to confine their discussion to consideration of section 1 of the bill.

Mr. Tremblay: Mr. Chairman, may I point out that the hon. member for Lapointe has, perhaps unwittingly, described the Liberal members.

An hon. Member: Clever, as always.

(Text):

Mr. Crestohl: Mr. Chairman, we are discussing clause 1 of the bill, which allows some latitude, and we are trying to stay within that latitude. I understood the Minister of Finance to say that this bill cannot and does not impose on the province of Quebec the necessity of increasing its taxation. That may be very clear, but is it not a fact that unless there is an increase—

The Chairman: Order. The comment of the hon. member has no reference to clause 1 but has direct relevance to clause 2. I will not permit any discussion along those lines until we have disposed of clause 1.

Mr. Pickersgill: Mr. Chairman, on clause 1, on which Your Honour permitted the Minister of Finance to read all the correspondence and on which therefore, I presume, hon. members of the opposition are equally free to discuss what is in the correspondence, I should like to put one or two questions to the minister and I will put them all together before he answers.

The Minister of Finance and the Solicitor General have both told us in the last few minutes that there was no agreement of any kind with the province of Quebec—

The Chairman: Order. I have already indicated that I thought the discussion up to now had not been relevant to clause 1. My view is that we should conclude this discussion and complete consideration of this clause before we take up that matter. I say to the hon. member that he will be able to take this up on clause 2.

Mr. Pickersgill: With respect last evening the Minister of Finance read the whole of this correspondence into the record. Surely the opposition is not to be denied the right to refer to this correspondence. My point is not related directly to clause 2 but to clauses 1 and 2 taken together, the whole scheme of an alternative, and I submit that this is a very serious abridgement—

The Chairman: I am not denying the hon. member for Bonavista-Twillingate the opportunity to discuss the correspondence when

we come to clause 2, but my decision is that it is not relevant to clause 1. When we come to clause 2 I will recognize the hon. member and give him the right to discuss the point he has just raised.

Clause agreed to.

On clause 2—*Definitions.*

(Translation):

Mr. Chevrier: Mr. Chairman, the unanimous vote recorded after the debate on the principle of the bill has indicated that every member of this house supports the principle of federal grants to universities.

Mr. Johnson: That is not true.

Mr. Chevrier: The house is also unanimous in the matter of the distribution of federal grants by the Canadian universities foundation to universities outside the province of Quebec. While the Quebec Conservative members consider this St. Laurent formula unconstitutional, they support its application in every province except Quebec.

There is no longer any unanimity on the subject, however, when we come to the second method of distributing federal grants—which the Minister of Finance (Mr. Fleming) has just described as offering an alternative—found in clause 2 of this bill. We, in the Liberal party have repeatedly stated in the course of this debate that we are firmly opposed to this new arrangement, for a number of reasons.

We said we opposed it because we think there are serious constitutional objections.

Indeed, if Mr. St. Laurent's formula has not been accepted by the province of Quebec, it is our contention that the new arrangement put forward by the federal government is even less acceptable.

We regard this new arrangement as a dangerous precedent, and a step in the wrong direction. That was our position on the second reading of the bill, and we have somewhat anticipated it at the resolution stage. We are now convinced that section 2, now under study, is a threat with respect to Canada's constitution.

However, we are not just going to oppose this new arrangement; we also want to be realistic and to suggest a solution to an alternative which we think is unacceptable, and to a difficulty we consider very serious and which, I dare say, raises a very touchy problem.

In a speech I made in this house on July 18 last, I suggested that federal grants be distributed to the universities in a province through a provincial board or council of universities, set up for such a purpose by the provincial legislature. In fact, others had made the same suggestion previously, and I am sure it would be well received by Quebec universities.

In a brief submitted to the Tremblay commission on March 4, 1954, Laval University, after suggesting the setting up of a provincial board of universities and of a provincial universities fund, made this statement, which I find on page 83:

> We might even add that, when an agreement is finally entered into between the provincial and the federal governments with regard to the sharing of taxation fields, it may be possible for the provincial government to accept federal grants to universities. Because of the provincial character of this commission, it seems that those grants would not constitute an unwarranted interference of the federal government in the field of education.

Besides, I wish particularly to point out to the Conservative members of the province of Quebec who took part in this debate, the part of the brief indicating the wisdom of Mr. St. Laurent's formula and, according to me, the wisdom of the amendment that I intend to introduce.

But I shall go further and say that the association of Laval University professors, in submitting its brief to the Tremblay commission, took exactly the same stand and asked that federal grants be paid into a provincial university fund.

As far as the University of Montreal is concerned, if its recommendation was not precisely along those lines, the considerations it submitted to the Tremblay commission with regard to federal grants clearly indicate that the university would have strongly objected to the new arrangement now suggested by the government.

There is no doubt that the distribution of federal grants by a provincial university council exactly meets the wishes expressed by the universities and the people of Quebec connected with them.

Such a formula has various advantages especially when compared to the new arrangement established under that clause. Later on we will have the opportunity to point out those advantages when we discuss the amendment we propose to submit.

Those advantages eliminate the difficulties pointed out in the letter of the Prime Minister of Canada to the premier of Quebec, and the objections raised in several quarters in the province of Quebec as a result of the statement of the Prime Minister, when parts of those letters were published.

First of all, the amendment offers a very great advantage in that unlike the new bill, the new arrangement, the new alternative suggested by the government, it does not raise any objection of constitutional nature.

As a matter of fact, with that formula, the federal government would in no way interfere in relations between the provincial government and the universities. In other words, the provincial government would remain completely free, as it should be, to deal as it chooses with the universities of its own province, something which it would not be able to do under the circumstances, particularly under clause 2 of this bill.

Moreover, if the formula we are suggesting were accepted, the federal government would not have to claim part of the provincial tax raised for provincial purposes.

And what is more important—and I wish to emphasize this particularly—if the amendment I am about to introduce were accepted, the federal government would no longer have to define the words against which so many objections were raised by Conservative members from Quebec, i.e.: "university", "university level", "university degree" and "student", federal definitions which our hon. friends opposite not only objected to but described as interference in the educational structure of a province.

On the other hand, Mr. Chairman, with federal grants being distributed by a provincial council, the administration of Quebec universities would be completely protected against all interference from the federal government. Indeed such a formula would have the advantage of guaranteeing greater independence to the universities of the province of Quebec, and diversifying their sources of revenue.

In short, the amendment I am about to introduce would do away with paragraph (b) of section 1 and with section 3, which would be replaced by the solution I have just outlined, that is, the payment of federal grants to a provincial council of universities.

The amendment is quite simple. I believe it would have the approval of the universities, would wipe out the objection that we, on this side, have raised against the bill and, in addition, would make it more acceptable to all.

(Text):

I therefore move the following amendment to clause 2:

That all the words presently appearing in section 9A(1)(b) of clause 2 be deleted and the following substituted therefor:

"(b) Provincial universities council means a corporate body established by act of the legislature of a province to receive and distribute the grants hereinafter referred to, and composed of representatives of the institutions of higher learning in that province."

That all the words presently appearing in section 9A(3) be deleted and the following words substituted therefor:

"The minister, with the approval of the governor in council, may on behalf of the government of Canada, pay to a university council established in any province for any fiscal year commencing on or after the first day of April, 1960, for the purpose of making grants to institutions of higher learning in that province an amount calculated by multiplying the population of the province for the calendar year ending in that fiscal year by one dollar and fifty cents."

The Chairman: Before I put the motion, are there any hon. members who wish to speak to the validity or disability of the amendment?

Mr. Fleming (Eglinton): Yes, Mr. Chairman. I should like to submit to you that this amendment is not in order and it is not in order for various reasons.

Having regard to what was the approved principle of the bill, I do not think this amendment is acceptable because it will introduce into the bill an entirely new principle. The house by unanimous vote on second reading approved the principle of the bill, the principle being that there should be such an amendment of the Federal-Provincial Tax-Sharing Arrangements Act as would provide by way of tax abatement to federal taxpayers in a prescribed province an additional abatement in certain cases where the province in which they reside makes certain provisions within its own constitutional authority in respect of universities in the province.

This amendment introduces an entirely new principle. This is the kind of amendment that can only be introduced by way of amendment on second reading of a bill. What should have been introduced at that time—if hon. members opposite wished to introduce an amendment that would be in order—would have been an amendment to set up a contrary principle, a well recognized procedure on motions for second reading; but they did not choose to do that. There was no amendment introduced on second reading. This would introduce an entirely new principle. The principle of this amendment, as I apprehend it, is that the Minister of Finance would be called upon to make payments to some organization in the province which has never been mentioned in this statute thus far.

That, Mr. Chairman, is an entirely new principle. It would be read as not according with the principle that the house approved on

second reading and, therefore, I contend that on that ground this amendment is out of order.

Mr. Chevrier: It is contained in clause 2 of the bill.

Mr. Fleming (Eglinton): This is not the only ground, Mr. Chairman. Let us look a little further. This amendment would propose a number of changes in clause 2 of the bill. It would strike out all the words appearing in section 9A (1)(b). That is to say, it would leave in clause 2, section 9A (1)(a) which defines "foundation". It would strike out clause (b) which contains all the provisions of the bill respecting a prescribed province, both the means of determining what is a prescribed province and the provision made for tax abatement in the case of a prescribed province.

There is substitution of the definition of a council that has never been mentioned in this legislation before. This is to take us completely outside the sphere of the present legislation into another realm entirely.

Then the amendment would leave in clause 2, subsection (2), being payments to the Canadian universities foundation in the case of a non-prescribed province. Then it would make a change in clause 9A (3). That clause at the present time is the one which provides that in the case of a prescribed province the minister may recover on or after the first day of April, 1960 any excess over the sum of $1.50 per capita, and similarly may pay where there is a deficiency. These are provisions that relate to a prescribed province.

That provision would be left in the bill, but the previous section, subsection 9A (1)(b), which contains now a provision with respect to a prescribed province, would be left in the bill. There would then be a contradiction in the bill.

But let us look even further. A new provision is proposed in the substituted clause 9A (3). This provides that the minister may, with the approval of the governor in council, pay to a university council established in any province for any fiscal year commencing after April 1, 1960, for the purpose of making grants to institutions of higher learning in that province, an amount calculated by multiplying the population of the province for the calendar year ending in that fiscal year by $1.50.

In this respect this then is an amendment that proposes to qualify the Minister of Finance to make payments to a body that, in respect of the provinces, would have to be determined. It may not even exist in many of the provinces. We do not know whether there is such a body in any province. I take it that the hon. member thought that there was such a council in one province but there is no such body specifically named. Reference is simply made to a council that might conform to certain requirements but this is not a named council in any province.

Here is a provision that would purport to authorize the Minister of Finance to make payments out of the public treasury equivalent to $1.50 per capita of population to an unnamed organization or body in any province. This is nebulous. It is out of order on that count.

It is also out of order as a motion coming from a private member of the house purporting to authorize a minister of the crown to make payments out of the public treasury. It does not lie within the competence of a private member of the house to introduce such an amendment. Therefore, Mr. Chairman, on at least five, if not six, grounds I submit to you that this amendment is clearly out of order.

(Translation):

Mr. Caron: Mr. Chairman, I have listened closely to the remarks of the Minister of Finance and I am inclined to believe he did not examine citation 408 of Beauchesne's fourth edition, which reads as follows:

(Text):

> The committee can so change the provisions of the bill that when it is reported to the house it is in substance a bill other than that which was referred. A committee can negative every clause and substitute new clauses, if relevant to the bill as read a second time.

(Translation):

As you see at the committee stage, authorities on parliamentary procedure have allowed great latitude as regards the introduction of amendments.

The minister referred to changes that could be made. There could be some doubt if the amendment involved changes in government revenue or expenditures. But the matter of the $1.50 per capita has remained exactly the same. Nothing is changed there. Therefore, all the objections raised by the Minister of Finance seem automatically inapplicable with reference to an amendment submitted in committee.

I realize that citations 390 to 402 deal especially with amendments introduced before second reading of a bill; but we are now at the committee stage and I am convinced that this simple sentence—

(Text):

> A committee can negative every clause and substitute new clauses, if relevant to the bill as read a second time.

(Translation):

—applies to the present case. The rest of this citation seems to show that, if the government accepts extensive alterations it may withdraw its bill and introduce a new one. However, such is not the case here. This time, the proposal emanates from the opposition, in accordance with citation 408, and I believe this citation is sufficient to clarify the situation and allow the chairman of the committee to accept the amendment.

(Text):

Mr. Pickersgill: Mr. Chairman, there is very little I can add to what the hon. member for Hull has just said, but there are a couple of points that perhaps could reinforce it a little. On the last point made by the minister, namely that this amendment was seeking to direct the government or the minister to make an expenditure, that of course is quite incorrect. The amount of money involved in this measure is not changed in any respect whatsoever. All that would be changed, and only if it were wished by the province, would be the destination of the money in certain provinces. We do not know whether there is going to be any prescribed province at this time because that is outside the knowledge of this committee, but under the present bill the minister can, if there should be no prescribed provinces, make payments of $1.50 a head to the Canadian universities foundation for the whole of Canada.

So far as ways and means are concerned, all my hon. friend is doing in his amendment is suggesting that in any province where a provincial council is set up the minister instead may—not must but may—pay that sum of money to the provincial council rather than to the national council. That is absolutely all there is so far as the financial side of the amendment is concerned.

As for the minister's suggestion not that the amendment was nebulous—he did not say that—but that the provincial council was nebulous—

Mr. Fleming (Eglinton): No, I said the amendment was nebulous too.

Mr. Pickersgill: On that ground, Mr. Chairman, it seems to me that the amendment speaks for itself. There are those who can only see clouds of their own making, and that is what "nebulous" means, I remind the minister, but to any plain person reading plain words there is nothing nebulous about it. It is not for the Chair to decide, I submit, whether or not there are provincial university councils in existence or whether they may be set up in the future. That is for the committee to decide. That is not a point of order.

If an amendment is offered to the house suggesting that the money may be paid to some organism that may be set up in the future, that is perfectly within the rights of parliament and it is for the members elected by the people, not for the Chair or the Minister of Finance, to decide whether such legislation should be enacted. I am sure you will agree with that view, Mr. Chairman.

With reference to the only substantial point made by the Minister of Finance, that the amendment introduces some new principle, may I say that there are two principles in the bill before us now. There is the principle with respect to equalization payments which is not in question in this amendment. There is also another principle that university grants may be paid to the Canadian universities foundation. The principle is that university grants may be paid to a foundation. All my hon. friend is suggesting is that they may be paid to one foundation or another foundation. He is not suggesting any new principle whatsoever. He is suggesting that the principle which has been followed before the introduction of this bill should be followed still but that instead of there being only one possible foundation as the recipient there should be two. That is a matter of detail, not of principle, and therefore it seems to me that the minister's objection completely falls to the ground.

Mr. Crestohl: Mr. Chairman, when we talk about principle, as the hon. member who has just taken his seat did, I think every member of the house agrees with the principle of the bill and supports and has supported in the past the granting of aid to universities. We are all agreed on that.

An hon. Member: No.

Mr. Crestohl: Is there someone who says that grants should not be given to the universities?

Mr. Pickersgill: Why did he vote for the bill then?

Mr. Johnson: That is not the principle of the bill.

Mr. Crestohl: If there is an hon. member who does not agree that grants should be made to the universities, then my statement is not correct.

The Chairman: Order; I should like to hear the hon. member as to the validity of the amendment.

Mr. Crestohl: I am speaking to the amendment. I said that we are all agreed with that; we voted for that principle. What we are now debating is the method of implementing the principle.

When we come to the method, one is suggested in the bill and the amendment suggests what we think is an improvement to that method. The minister raises a question and says that in order to implement the principle he suggests a payment should be made through a foundation, and he creates the foundation. He creates the instrument and defines it in his bill. The amendment says that the principle could be implemented through another instrument which, in our opinion, would make the method more constitutional. If the minister would take the position that the instrument of a provincial council is unconstitutional, I would go along with the minister. If the minister will accept the principle that the implementation of these grants can be made through a provincial council, that is basic. It is not flippant, and it is not a technical objection.

When we discuss these measures from a lofty level I submit to you, Mr. Chairman, that simply substituting a provincial council for a Canadian universities foundation is not a serious change in the bill and is a change which could properly be made by amendment. I respectfully submit that we should address ourselves to the fact of whether or not this method of implementing the intentions of the whole project is an acceptable one. If it is not an acceptable one, then it should be rejected. If it is an acceptable one it should be accepted, even by the minister. I feel that if he had time to consult with the province of Quebec and the university authorities in Quebec he would find they would prefer the amended way of implementing this bill.

An hon. Member: You are arguing the merits.

Mr. Crestohl: I am just supposing that it were possible to do this. However, I think the amendment as made has merit, and does not change the principle at all but simply offers another vehicle for implementing the principle that the house adopted.

The Chairman: Before I give a definite decision on this amendment, may I draw the attention of the committee to the possibility that there might be an additional charge on the public treasury by the amendment proposed if we envisaged it in the following light. In section 9A, as it is in the bill, if I am not mistaken paragraph (1) (a) and b) (i) and (ii) would be deleted and replaced by b) of the proposed amendment.

The proposed amendment would leave as is paragraph 2 which provides that the minister, with the approval of the governor in council, may, on behalf of the government of Canada, enter into an agreement with the foundation already defined in paragraph (a). According to this paragraph, what can be done now is to give the foundation a grant equal to the calculation of the population of the province multiplied by $1.50. There is a reference, of course, to a prescribed province in subsection (2) of section 9A.

The amendment to section 3 which has been proposed, says in part:

> The minister, with the approval of the governor in council, may on behalf of the government of Canada, pay to a university council established in any province for any fiscal year commencing on or after the first day of April, 1960, for the purpose of making grants to institutions of higher learning in that province an amount calculated by multiplying the population of the province for the calendar year ending in that fiscal year by one dollar and fifty cents.

This amendment, therefore, under this new paragraph (3) would enable the Minister of Finance to pay in any of the provinces of Canada in which there existed a university council an amount based on $1.50 per head and that would be above the amount which is already provided in section 2 of the act which remains as is. It seems to me, therefore, that at first sight, without considering the other problems that may be involved, this would clearly dispose of the amendment. However, before I say anything further, if any hon. member wishes to comment on that point I would be glad to hear him.

Mr. Pickersgill: Mr. Chairman, it is conceivable that such an interpretation might be put upon the amendment. However, it does seem to me it is quite clear that the amendment, the new paragraph 3, suggested by the hon. member for Laurier is clearly intended as an alternative method and that as such it would exclude a payment in respect of the institutions of the province to the Canadian universities foundation. Certainly that was the clear intent of the amendment. It may be that the wording is not quite as precise as it should be to exclude any other possibility, but it does seem to me that in committee, in my experience with a case of this kind, if there was simply a point of drafting involved which had nothing whatever to do with the substance of the amendment it has always been recognized, particularly since members of the opposition do not have the same opportunities as members of the government have in drafting, that corrections of that kind can be made if they are required without in any way invalidating the point.

Mr. Fleming (Eglinton): Mr. Chairman, if I may say a word, I would say that the point you have raised is well taken and the plea of the hon. member for Bonavista-Twillingate

for mercy on this amendment is not well taken. Those who introduce amendments in committee are responsible for justifying that they are in accordance with the rules of the house, and should not say that if they were corrected in some other way they might then become conformable to the rules of the house.

I pointed out when I was making my earlier statement that the amendment does not purport to strike out paragraph (2) of clause 2, and that clause 2 of the present bill authorizes a payment by the minister in the case of all provinces, except a prescribed province, of sums equivalent to $1.50 per capita of population per annum. Now we were informed by the hon. member for Bonavista-Twillingate that there was going to be only one prescribed province and, therefore, if he is right for once, there will be nine provinces that are not prescribed provinces. Then, clause 2, as it stands, will authorize the minister to make a payment of $1.50 per capita of population to the Canadian universities foundation for nine provinces and this amendment will come along and put a new clause 3 in which will authorize the minister to make a payment of $1.50 per capita of population to any provincial university council, as they have defined it, in any province.

Therefore, wherever there can be found a provincial universities council, even up to ten of them, the minister will be authorized by this amendment to make payment to that province equivalent to $1.50 per capita of population in that province per annum. We could finish up, it is quite clear now, with a charge on the treasury which will be almost double that provided for by the present bill. The hon. member attempts seriously to argue before you, Mr. Chairman, that such an amendment could be in order. It will be making new jurisprudence in this House of Commons surely if any such proposition is seriously entertained. The hon. member is a private member. He is introducing what can now be a charge on the treasury of this country amounting to something like $26 million a year. That is what he is proposing. I do not need to refer to the British North America Act in order to point out how clearly that procedure lies beyond the power of any private member in the House of Commons speaking without the assistance of a royal recommendation.

(Translation):

Mr. Caron: Mr. Chairman, a moment ago, I quoted citation 408, which in my view is quite clear. Now, perhaps I might be allowed to make a suggestion. We are now discussing a point of order; the discussion cannot be allowed to go much beyond this. If the Minister of Finance accepts that the amendment be moved, then we can discuss it thoroughly, and find out the views of hon. members to the right and to the left. If the government does not want to accept it, it can call for a vote, and thus reject it in due course. Just now, however, we are simply discussing a point of order, and whatever ruling is made by the chairman of the committee, no one will be satisfied.

An hon. Member: What standing order says so?

Mr. Caron: Citation 408 is clear, as I see it. But the minister has other views. So that we may clear up the essential point, namely whether or not the amendment is in order, let us discuss it thoroughly. It could still be rejected at any time by a vote, this procedure being always permissible when a bill is being considered in committee, for instance prior to second and third reading.

An hon. Member: What if the whole discussion is out of order?

(Text):

Mr. Chevrier: May I be permitted to say a word in connection with the amendment that was proposed? When the Minister of Finance rises on a point of order and speaks coolly and calmly I am always impressed, but when he makes noises, as he has done in this case, I begin to wonder about the validity of his point. In any event, Mr. Chairman, it was you who raised the point and not the Minister of Finance. The point you have raised is whether or not there may be additional expenditure because of this amendment. My submission to you is that the bill is divided into two parts, namely the extension of equalization payments and the university grants. Then again the university grants are divided into two parts, namely the grants that are paid via the Canadian universities foundation and those within the terms of section 2.

My answer to the point raised is this. The minister has already entered into an agreement dated January 18, 1960 for a period of two years with the Canadian universities foundation and the national conference of Canadian universities. Therefore in so far as those parties are concerned, there can be no additional payment. That is why I submit that the alternative we have put forward, it seems to me, could apply only to those not taking part in the agreement dated January 18, 1960. If that is the case there can be, I submit with deference to you, Mr. Chairman, no additional expenditure. All that this

amendment does is to provide for the establishment of a provincial council by a legislature of a province, maintaining all the other features of the bill save those contained in paragraph (b)(i) and (ii). It would strike me that the points made by the hon. member for Bonavista-Twillingate and the hon. member for Hull were well founded in that this amendment deals with an alternative and does not deal with the Canadian universities foundation agreement which has already been signed betweeen the minister and the two groups therein mentioned. I would therefore suggest with deference that the amendment is in order.

The Chairman: I wish to state that although I understand the appeal of the hon. member for Bonavista-Twillingate and the hon. member for Hull I consider it the duty of the chairman to rule on the validity of any amendment which is submitted to the committee. However interesting may be the discussion as to the merit of the proposition in itself, I think it is the duty of the Chair to rule out of order any amendment which it considers to be out of order.

I have not heard any satisfactory explanation of or rebuttal to the objection I have raised. I think it is clear that if the amendment would result in an additional expenditure the initiative cannot come from other than a minister of the crown. As the situation stands, I am convinced that the amendment would permit payment to the universities foundation of an amount equal to the population of Canada multiplied by $1.50 and if there were in any province a university council the same amount could in addition be given and divided between all the university councils on the same basis. For this reason alone I think the amendment is out of order. However, I think I should add immediately, for the guidance of hon. members, that to me the amendment goes beyond the scope of the bill. The principle of the bill that has been adopted as indicated by the resolution is as follows:

That it is expedient to introduce a measure to amend the Federal-Provincial Tax-Sharing Arrangements Act to provide certain alternative arrangements for payment, either by Canada through the Canadian universities foundation—

We know what it is.

—or directly by a province,—

That is the principle of the bill which has been approved. What the alternative of the amendment suggests is payment by Canada to a provincial university council, something which is not provided for in the principle of the bill as embodied in the resolution and as adopted. I think the bill is in conformity with the resolution as agreed to and as approved by the house on second reading. For those two reasons I am therefore obliged to rule the amendment out of order.

Mr. Chevrier: I must respectfully appeal your ruling, Mr. Chairman.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

In committee of the whole when Bill No. C-56, an act to amend the Federal-Provincial Tax-Sharing Arrangements Act, was being considered, Mr. Chevrier moved an amendment as follows:

That all the words presently appearing in section 9A(1)(b) of clause 2 be deleted and the following substituted therefor:

"(b) Provincial universities council means a corporate body established by act of the legislature of a province to receive and distribute the grants hereinafter referred to, and composed of representatives of the institutions of higher learning in that province."

That all the words presently appearing in section 9A(3) be deleted and the following words substituted therefor:

"The minister, with the approval of the governor in council, may on behalf of the government of Canada, pay to a university council established in any province for any fiscal year commencing on or after the first day of April, 1960, for the purpose of making grants to institutions of higher learning in that province an amount calculated by multiplying the population of the province for the calendar year ending in that fiscal year by one dollar and fifty cents."

Mr. Speaker put the question as follows:

The question is an appeal to the house from a ruling of the Chair as follows: In committee of the whole on Bill No C-56, an act to amend the Federal-Provincial Tax-Sharing Arrangements Act, Mr. Chevrier moved an amendment as follows:

"That all the words presently appearing in section 9A(1)(b) of clause 2 be deleted and the following substituted therefor:

(b) Provincial universities council means a corporate body established by act of the legislature of a province to receive and distribute the grants hereinafter referred to, and composed of representatives of the institutions of higher learning in that province.

That all the words presently appearing in section 9A(3) be deleted and the following words substituted therefor:

The minister, with the approval of the governor in council, may on behalf of the government of Canada, pay to a university council established in any province for any fiscal year commencing on or after the first day of April, 1960, for the purpose of making grants to institutions of higher learning in that province an amount calculated by multiplying the population of the province for the calendar year ending in that fiscal year by one dollar and fifty cents."

The chairman ruled the amendment out of order on the ground that it proposed an additional charge over that authorized by the terms of the resolution preceding the bill and, moreover, it was irrelevant as going beyond the scope of the bill as approved on second reading thereof. Whereupon, Mr. Chevrier appealed to the house from the ruling of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

Division

YEAS

Messrs:

Aiken
Aitken, Miss
Anderson
Asselin
Balcer
Baldwin
Barrington
Baskin
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bigg
Bissonnette
Bourbonnais
Bourdages
Brooks
Broome
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Campbell (Lambton-Kent)
Campbell (Stormont)
Campeau
Cardiff
Casselman, Mrs.
Chambers
Charlton
Chown
Churchill
Clancy
Comtois
Cooper
Creaghan
Crouse
Danforth
Dinsdale
Dorion
Doucett
Drouin
Drysdale
Dubois
English
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Forbes
Fulton
Grafftey
Green
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hanbidge
Harkness
Henderson
Hicks
Hodgson
Horner (Acadia)
Howe
Johnson
Jones
Jorgenson
Jung
Kennedy
Kindt
Knowles
Lafreniere
Lahaye
Lambert
Latour
Legere
Lennard
Letourneau
Macdonald (Kings)
Macdonnell
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
Macquarrie
MacRae
McBain
McDonald (Hamilton South)
McFarlane
McIntosh
McLennan
McPhillips
McQuillan
Maloney
Mandziuk
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Montgomery
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Nielsen
Noble
Nugent
O'Hurley
O'Leary
Pallett
Parizeau
Pascoe
Paul
Payne
Pearkes
Phillips
Pigeon
Pugh
Rapp
Regnier
Richard (Kamouraska)
Rogers
Rompre
Sevigny
Simpson
Skoreyko
Slogan
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Stanton
Starr
Stefanson
Stewart
Tassé
Thompson
Tremblay
Villeneuve
Walker
Webb
Webster
Weichel
Wratten—147.

NAYS

Messrs:

Argue
Badanai
Batten
Benidickson
Boivin
Boulanger
Bourget
Brassard (Lapointe)
Caron
Chevrier
Crestohl
Deschatelets
Dumas
Eudes
Forgie
Garland
Granger
Habel
Hellyer
Herridge
Leduc
McMillan
McWilliam
Martin (Essex East)
Martin (Timmins)
Meunier
Mitchell
Peters
Pickersgill
Ratelle
Regier
Richard (St. Maurice-Lafleche)
Robichaud
Rouleau
Winch—35.

And the house having resumed in committee:

On clause 2—*Definitions.*

Mr. Deschatelets: Mr. Chairman, the Minister of Finance has stated most emphatically at least twice in the house, namely on September 6, 1958 and again on March 18, 1960, that the federal government is not intervening in the provincial field when it makes university grants. Having this in mind, I was very surprised, to say the least, at certain terms and aspects of clause 2 of Bill No. C-56 as introduced by the Minister of Finance. I refer specifically to the word "satisfactory" in line 16 on page 2 and to the words "in the opinion of the minister" in line 17 on page 2.

If we read these words carefully in the context of clause 2 we find here a prima facie case of clear infringement and encroachment on the economy of the province. During the debate on second reading we on this side of the house repeatedly brought this matter to the attention of the Minister of Finance and outlined the constitutional dangers of these terms as far as the autonomy of the province is concerned. Moreover, if we refer to the speeches delivered by our friends opposite it is evident that most of them share our views with respect to this particular matter. As found on page 3309 of *Hansard* of April 26, the hon. member for Bellechasse had this to say:

(Translation):

While the Minister of Finance has the right to satisfy himself that the arrangements reached between the provinces and their universities are truly consistent with the requirements of the act—

I say that in recognizing this right, the hon. member for Bellechasse (Mr. Dorion) accepts unwarranted interferences, on the part of the Minister of Finance, in a field which is outside his jurisdiction.

According to page 3549 of *Hansard*, the hon. member for Sherbrooke (Mr. Allard) suggested that the minister amend section 2, and then went on to say:

> Nevertheless it is distasteful that the federal minister should act as arbitrator and be the only one to have a say on the value of the said agreements.

(Text):

Therefore it appears crystal clear, Mr. Chairman, that in leaving these words in clause 2 the minister will be the only judge in determining whether or not the arrangements made by the provincial government with the universities within the province are satisfactory, and it is also clear that clause 2 contradicts the statements made by the Minister of Finance referred to by me at the beginning of my remarks. In other words, according to these terms in clause 2 this whole scheme cannot operate unless the minister is of the opinion that the arrangements between the province and the universities in this province are satisfactory, and if the Minister of Finance finds in his opinion that these arrangements are not satisfactory then as a consequence the deduction for the equalization payments cannot take place. Therefore the operation of this scheme is centralized on the will and discretion of one person, the Minister of Finance. I feel that this is not only most extraordinary but also contrary to the autonomy of the provinces and one of the most dangerous pieces of legislation ever brought before this house.

Therefore, Mr. Chairman, I move:

> That clause 2 be amended as follows:
> That the word "satisfactory" in line 16, page 2, and the words "in the opinion of the minister" in line 17 of page 2 be struck out.

The Chairman: Shall the amendment carry?

Mr. Fleming (Eglinton): The hon. member has supported a quite unacceptable amendment with some very strange and far fetched arguments. One would think to listen to him that he had been violently opposed to the essence of this bill. The remarks that have just now been made in this committee were made by an hon. member who did support this bill on second reading; yet he is now mouthing the same kind of contradictory statements as were made by the hon. member for Laurier when he opened the debate on this matter.

Mr. Chevrier: Do not be so rambunctious.

Mr. Fleming (Eglinton): I will speak my mind on this matter and I will not be asking the permission of the hon. member for Laurier to do so.

Mr. Chevrier: You are going out of your mind.

Mr. Fleming (Eglinton): We have heard from him the same kind of contradictory remarks in this debate. I do not wonder he is feeling most uncomfortable this afternoon; he certainly looks it.

Mr. Chevrier: You have been raising points of order all the time.

Mr. Fleming (Eglinton): You see, Mr. Chairman, he is feeling very aggrieved, apparently, that he introduced an amendment this afternoon which was ruled out of order.

Mr. Pickersgill: On a point of order, Mr. Chairman—

Mr. Fleming (Eglinton): He says that I have been raising points of order all the time. I am glad I raised one successfully on that occasion.

Mr. Pickersgill: I am rising on a point of order. A vote was taken in committee and the matter was disposed of, so it should not be raised again.

Mr. Fleming (Eglinton): Therefore, the hon. member for Laurier has no business saying that I do raise points of order. I certainly did raise a point of order.

Mr. Chevrier: On the point of order; I do want to tell the Minister of Finance that he has been very objectionable during the course of this whole debate, not only by his interruptions in debate but also by the points he has raised and his attempts to prohibit us from putting on *Hansard* our views in connection with this piece of legislation.

Mr. Fleming (Eglinton): No member of this house who has any claim to knowing anything about the rules of the house or to follow those rules faithfully could make the statement that has just now been made by the hon. member for Laurier. I have no apology to make to him for raising the point of order that has had the effect of this last point of order.

Mr. Chevrier: You should apologize for your language, though.

Mr. Fleming (Eglinton): I see the hon. member for Laurier is losing his temper again and setting himself up as the censor of the proceedings of this house. I do not intend to submit to censorship on his part. I realize it is very difficult for him at the same time, feeling aggrieved as he does at the moment over what has just happened, to sit still and keep quiet. I do not propose to be turned aside from what I intend to say.

Mr. Chevrier: Why don't you deal with the subject?

Mr. Fleming (Eglinton): You see, he cannot keep quiet.

Mr. Chevrier: Why don't you deal with the subject?

Mr. Fleming (Eglinton): There it is again; he cannot keep quiet.

Mr. Robichaud: Get a flag.

Mr. Fleming (Eglinton): There is another hon. member who cannot keep quiet. The rules of the house mean nothing to them. They speak from their seats.

Mr. Caron: On a point of order, Mr. Chairman, the minister has no right to say that the rules of the house have no meaning for members on this side. This leaves the impression we are not acting in accordance with the rules, and he should be the last one to say that when we remember 1956 at which time he had to be thrown out of this house.

The Chairman: Order; I would say that some remarks made on the point of order or otherwise have not been relevant. I would ask the minister to go back to the subject matter of the amendment.

Mr. Fleming (Eglinton): Sometime, Mr. Chairman, the last member who interrupted on that bogus point of order will be in a position where he will understand the rules of the house but he does not now.

Mr. Caron: I could teach them to you.

Mr. Fleming (Eglinton): I will not go to that source for instruction, believe me.

As I was about to say before hon. members opposite began their raucous interruptions, I was pointing out that the remarks just now made by the hon. member who introduced this amendment, like those made earlier by the hon. member for Laurier, were completely out of accord with the votes they cast on the main motion for second reading. What they are saying now is that this bill proposes something unconstitutional. If it does, if there is anything unconstitutional, that unconstitutionality is in the essence of this bill, and the hon. member has chosen to support, in its essence, the unconstitutionality according to his strange definition of it.

Why is it that this measure finds it necessary to say that certain conditions must exist before there shall be an increase in the federal abatement in respect of federal taxes in prescribed provinces? If it were not for that, there would be no way at all of giving effective definition of a prescribed province or assuring that this measure is an alternative to the present system. Otherwise it could be just a handout by the federal treasury to the taxpayers of a province and would, in that way, create discrimination and upset the whole principle of equality of treatment of federal taxpayers in all parts of Canada.

One would think there was something extraordinary about the language employed here. I wish hon. members would read their own legislation, the legislation introduced by the government of which some of them were members at one time and see where this Federal-Provincial Tax-Sharing Arrangements Act imposes upon the minister, who under this act is the Minister of Finance, the responsibility for making certain decisions. Hon. members opposite have completely overlooked this. I am going to take a moment, not simply to jog their memories, Mr. Chairman, but I am afraid it will be to jar their complacency in this respect.

Mr. Pickersgill: Mr. Chairman, on a point of order—

Mr. Fleming (Eglinton): Look at the act and you will see—

The Chairman: Order.

Mr. Pickersgill: Before the hon. gentleman proceeds, is it understood that if the whole act is opened up by the minister it will also be open to every other hon. member to discuss the whole act? I am not seeking to stop the minister, but I want equality.

The Chairman: It is obvious that the rule of strict relevancy applies here. The only point that can be discussed is the terms of the amendment.

Mr. Fleming (Eglinton): Yes, Mr. Chairman; the point, however, is this, that when we are accused, in relation to a particular phrase in the amending bill, of employing language that is unconstitutional in its effect I am entitled to refer to the main act or any other legislation of this parliament as a precedent for using precisely the same language which has a similar effect. That is all I was going to do. I was not going to read the whole act. I was going to point out where the responsibilities are imposed by this act which was introduced by the former government, this act of which hon. members opposite profess to be so proud when they boast about the St. Laurent formula—

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

Mr. Fleming (Eglinton): —an act which imposes upon the Minister of Finance the duty of making many decisions.

Mr. Martin (Essex East): One would expect, Mr. Chairman, that a minister of the crown would at least give some example in the way in which he approaches proceedings in this House of Commons. The hon. member now has been faced with a point of order which was addressed to Your Honour. Your Honour has indicated his view in the ruling. The Minister of Finance has persisted in ignoring that ruling. I can only suggest to Your Honour that the minister ought to be asked to

observe the rules. If insistence is not going to be made that he observe the rules, this ought to be fair warning that that privilege ought to be extended to members of this committee other than the Minister of Finance.

Mr. Lambert: That is your interpretation.

Mr. Martin (Essex East): The chairman has just given the ruling.

The Chairman: May I draw the attention of the hon. member for Essex East to the fact that I simply referred to the rule and quoted the rule that in committee strict relevancy must apply. In the present case the subject matter of the amendment is the only one that can be discussed. However, by my ruling I did not intimate that the minister, in discussing the purport of the amendment, could not refer to other examples in legislation. Up to now I do not think the minister has done more than that. It is obvious that if other hon. members speak along the same lines they will be permitted to do so.

Mr. Fleming (Eglinton): I will put this matter very briefly, Mr. Chairman, because hon. members opposite apparently have not read the act. Just let me run over these examples very briefly. In section 2 (1) (h) we find:

—the amount determined by the minister—

In section 2 (1) (f):

—the amount, as determined by the minister,—

In section 3, subsection 1:

—the minister may pay—

In section 4, subsection 1:

—the amount, if any, as determined by the minister,—

In section 5, subsection 2:

—the amount, as determined by the minister—

In section 5, subsection 4:

—the amount determind by the minister—

I come now to section 9:

—the amount, as determined by the minister,—

The hon. member is therefore quite wrong in suggesting that where a duty is imposed upon the minister to make certain calculations this is something new or something unconstitutional. If that is unconstitutional, then that whole main act introduced in 1956 is completely unconstitutional. There is hardly a provision in this act that is not unconstitutional if the hon. member has any validity at all in his argument.

I go further, Mr. Chairman. We are told this bill is unconstitutional because provision is made that certain arrangements are to be satisfactory in the opinion of the minister. The words "in the opinion of the minister" are said to introduce an unconstitutional feature.

[Mr. Martin (Essex East).]

Section 8 of the main act contains the very same phrase and this phrase was one introduced by the former government in the act that is praised by hon. members opposite. There you have a comparable situation, Mr. Chairman, because there it involves a determination by the minister as to whether taxes imposed in a certain province conform to certain standards created by the section. Let me read enough of the words to indicate that this language—the same language that he attacks—is used.

8. Where a province imposes taxes on the income of individuals or corporations or both at the rate provided by the Income Tax Act for computing the amount that may be deducted from individual income tax or corporation income tax on account of such provincial taxes, under a statute that in the opinion of the minister is substantially similar to the corresponding provisions in the Income Tax Act, the Minister, with the approval of the governor in council, may—

He may do certain things. You have precisely the same language in the main act. What we have done is to carry forward into this bill a provision in precisely the same terms as those used in the main act. The effect of the language here is the same as it is in section 8 of the main act. It imposes upon the minister a certain duty just as section 8 of the main act imposes on the minister a certain duty. There is no difference in the quality of those two provisions. Therefore, the hon. member is far afield. If this is all the ground he has for mounting an attack upon the constitutionality of this measure, he has nothing whatever of substance to advance and that situation is quite clear.

As I have pointed out already, no problem is raised here about the provisions of this clause. It is crystal clear that the legislation passed by the province of Quebec at the recent session and the provision thereby made completely conform with the terms contained here so as to make the province in that event clearly a prescribed province. But we do not undertake to tell the province of Quebec what to do. The effect is this, and this is the important point which has been completely ignored by the hon. member in his remarks.

What is effected here by the question whether any province is or is not a prescribed province within the terms of this bill is to determine whether there shall be an additional abatement as against the federal tax on corporations in favour of federal taxpayers in that province. This provision does not create a result that affects in that sense the province as a province. This is something that is of consequence for federal taxpayers in that province when they come to calculate their federal tax. We are therefore clearly acting within the scope of federal jurisdiction here. We make no trespass

upon provincial jurisdiction. We have confined ourselves clearly to the exercise of federal jurisdiction and we have gone not one step further.

Mr. Pickersgill: I should like to say a few words about the points made by the Minister of Finance. All the sections he read from the main act which require the Minister of Finance to make certain decisions have relation either to disbursements out of the federal treasury or to financial arrangements made between the federal government and provincial governments on a voluntary basis. They have to do with the federal treasury which is our concern in this House of Commons. But what is being done here is for the minister to determine whether the action of a provincial government and a provincial legislature suits him and suits this government.

There is all the difference in the world between the minister's being clothed by this parliament with the power to pass judgment upon certain things that have to do with the federal treasury and giving the minister the power which he is seeking to get here to tell the province that their arrangements for providing assistance to their universities are or are not satisfactory. What this does is this. The minister says, "If I think you have the right kind of scheme to help your universities, then certain taxpayers in your province will not have to pay so much tax, but if I do not think so, they will have to pay more tax".

Mr. Fleming (Eglinton): Rot.

Mr. Pickersgill: The minister himself said that it determined their abatement on federal tax and that is quite right. It will determine whether the corporate taxpayers of Quebec pay 1 per cent more than do corporate taxpayers in other provinces and thereby put a disability upon the economy of that province. That will be determined. It is not even going to be determined by parliament. Parliament will turn over that determination not even to the governor in council but to a single minister who is going to decide whether or not these arrangements are satisfactory to him. If the words are left out, what do we have? We have this:

> In which, for that fiscal year arrangements exist for the payment by the province directly to institutions of higher learning—

Of a certain amount of money.

I quite grant that if the arrangements are not there for the payment of this certain sum of money it would not be fair to the taxpayers of other parts of Canada to give this abatement in order to enable a province to raise an extra 1 per cent from its corporate taxpayers for its general revenue, but the minister said this was an alternative to his scheme. However, as long as arrangements do exist for the payment to the universities of a sum equivalent to this abatement, what difference does it make to us in this parliament, and what right have we in this parliament to say what the character of these arrangements should be or to exercise a censorship over the character of the arrangements? That is precisely what we in our legislation and in our provision for university grants were seeking not to do. We were seeking to make sure that we did not exercise this kind of control, direction or censorship which the minister is now seeking to get parliament to arrogate to him so he can say whether or not the arrangement is satisfactory.

The minister then went on to say that we all know what the legislation is in the province of Quebec, we know they have already satisfied themselves on this point so it does not matter what we put into the law. But the minister himself says this law applies to all the provinces. How do we know that tomorrow one of the other provinces may not decide they want to become a prescribed province?

Mr. Fleming (Eglinton): You said they would not.

Mr. Pickersgill: The minister would surely be the first to admit that the fact that I said they would not is not a sufficient ground for generalizing the law nor is the fact that the minister said they would not. That is what shocked me in what the minister said. He said that because this is all right for Quebec the other nine provinces do not matter.

Mr. Fleming (Eglinton): I did not say that at all.

Mr. Pickersgill: That is my interpretation of the plain sense of what the minister said, but what he said makes no sense at all.

Mr. Fleming (Eglinton): It is the hon. member's misinterpretation of what I said.

Mr. Pickersgill: The minister thinks that the other provinces are not going to do anything about it—

Mr. Fleming (Eglinton): The hon. member for Bonavista-Twillingate said that, I did not.

Mr. Pickersgill: —but we believe that having the law in proper form is important. We have here the principle of this parliament trying to give to the Minister of Finance—I say "trying" because I question, even if we pass this, that he will really have that power; I question that very much—the power to exercise a censorship, a veto, a dictatorship

over the form and manner in which the government of a province assists its own universities out of money collected from its own taxpayers by a tax levied by the provincial legislature. If there could be a more obvious intervention in the provincial field it would be very hard to find any way of going about it.

Moreover, it seems to me it is clothing the minister with a power that the minister should not be clothed with and that is very different from giving to the minister a determination of certain things with respect to agreements with the provinces or with respect to payments to be made out of the treasury by virtue of the fiscal arrangements between the federal and provincial governments which have to do with the proper control by this parliament of the funds that are raised from the taxpayers of Canada.

I repeat again that we are seeking here to clothe the minister with the power to determine how the government of any prescribed province will assist its universities, the power to control the method or the order. It has got to be a scheme that suits him before the taxpayers can get this abatement. As long as there is an arrangement that pays the universities that amount of money it should not have to be satisfactory to the Minister of Finance. It is for that reason and because of our regard for the rights of the provinces that we have put forward this amendment.

Some hon. Members: Question.

Amendment negatived: Yeas, 28; nays, 44.

Mr. Crestohl: Mr. Chairman, I should like to address myself to another portion of this bill, clause 2. I hope that the minister who is an eminent lawyer will readily understand that in drafting legislation which appears rather complicated it is sometimes possible to unintentionally insert matters which he either does not intend or which other hon. members think they spot as being other than what was really intended by the legislation. I should like to draw to the attention of the minister the following words in subclause (ii), on page 2 of the bill, beginning at line 19:

> —in accordance with and subject to terms and conditions not inconsistent with those contained in any agreement entered into under subsection (2)—

Subsection (2) follows further on. I address myself to those words immediately because I want to deal with them. In the first place, Quebec is a prescribed province, according to what we have been told. Second, Quebec does not form a part of the Canadian universities foundation. Clause 2 to which I have already referred begins with these words:

> The minister, with the approval of the governor in council, may on behalf of the government of Canada enter into an agreement with the foundation, providing, for any fiscal year commencing on or after the first day of April, 1960—

—and so forth. The clause on to say that an agreement may be entered into with the province of Quebec. The clause does not contain those words but that is what it means. Subclause (ii), however, contains the following proviso, that it is:

> —in accordance with and subject to terms and conditions not inconsistent with those contained in any agreement—

In other words, Quebec is being asked by this clause to be bound by a contract to which it is not a party. If that is the intention, I feel the province of Quebec is being dragged into a contract to which it is not directly a party. In my view, no damage would be done to the bill if the words were deleted as suggested; the same situation would exist, but all the authority would not be left with the minister. To accept the amendment would be to liberate the province from being pinned down by the conditions of a contract to which it was not a party. If the province of Quebec could be freed from these conditions the situation would, I believe, be acceptable to everyone, and I therefore move:

> That the word "in" following the comma in line 19, page 2, and lines 20, 21 and 22, page 2, be struck out.

Under the amendment which I have just moved the province of Quebec would be free to make its own decisions with regard to university grants; it would not be bound by an agreement between two other parties. That, I believe, would leave the province of Quebec the freedom which it seeks; the province will be itself the judge of its own way of dealing with this question. I do not like to contemplate the province of Quebec being governed as it is governed in this clause. I think that constitutes an invasion of provincial autonomy—saying to that province: you will be bound by an agreement which I, the minister, will enter into with the Canadian universities foundation. I do not think it is good in law that a third party should be bound by an agreement to which it is not a party. Striking out the words as proposed would not injure the principle of the bill, but it would preserve for Quebec the autonomy for which the province has been fighting.

Mr. Fleming (Eglinton): The clause of this bill which the hon. member has sought to amend is a clause which defines a prescribed province. We are dealing here with definitions. The hon. member has advanced the proposition that the province of Quebec is somehow having its rights abridged, and

being bound by federal legislation. Such a statement is completely without foundation. There is nothing here which binds the province of Quebec in any way. Federal legislation cannot bind the province of Quebec or abridge the rights of that province. However, federal legislation can define, extend or abridge the rights of federal taxpayers, and that is all that the bill does in relation to federal taxpayers in a prescribed province as here defined.

The suggestion has been made that somehow or other we are imposing on the province of Quebec an agreement which was entered into, or is proposed to be entered into between a Canadian minister and the Canadian universities foundation. That agreement is not imposed on the province of Quebec or on any other province which may some day qualify as a prescribed province. It is not imposed on any province. That, today, is an agreement under which the payment authorized by parliament thus far in the estimates and in the Appropriation Act is paid over to the foundation as it was paid to its predecessor, the national council of Canadian universities, for distribution on certain terms outlined in that agreement.

This is not a vehicle that we have invented. This idea of having distribution made in accordance with an agreement goes back to the former government. When we came into office there was one of these agreements in existence between my predecessor, Mr. Harris, and the Canadian council of universities, and that agreement defined the basis of distribution which was to be carried out by the N.C.C.U. Similarly, since the Canadian universities federation became incorporated, it was necessary to have a new agreement with the new organization. That was done, and it is referred to in the estimates which were introduced in this house some time ago.

That does not impose anything on any province. In the case of the non-prescribed provinces, that agreement defines the terms on which distribution of that federal money may be made among universities. In relation to a prescribed province, all that is said here is that where an alternative provision is to be made, it is to be made on terms not inconsistent with this new agreement. In that way and no other can it be assured that equality across Canada is applied to all provinces. That is the reason this provision is here; it is in order to ensure equality. Otherwise, whereas distribution in the non-prescribed provinces must be on the basis of equality among the universities of the province as determined by student enrolment, if this were not applied to a prescribed province it would be open to such a province to apply the funds in any way it saw fit, and parliament surely intends that there should be equality of treatment in all parts of Canada.

Mr. Chevrier: I must tell the minister that I much prefer him in the mood in which he is now than in the mood he was earlier in the debate, because when he rises and discusses a point coolly it is far more interesting to follow him than it was earlier. That being the case—

An hon. Member: Six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Chevrier: When the committee rose at six o'clock the Minister of Finance had completed his remarks on the amendment moved by my hon. friend from Cartier. The amendment proposed to remove from clause 2 of the bill the words in the eighteenth to the twenty fifth lines on page 2:

> In accordance with and subject to terms and conditions not inconsistent with those contained in any agreement entered into under subsection (2).

The point made by the hon. member for Cartier was that these words would in effect be binding upon the prescribed province and he asked that they be stricken out. In his reply the minister made several points. In the first place he said that the agreement did not impose anything on the province of Quebec or on any other province which may some day qualify as a prescribed province. It is with that first statement of the minister that I should like to take issue. If I read this bill correctly, the definition of prescribed province which I find on page 2 is as follows:

> "Prescribed province" means a province
> (i) that has not entered into a tax rental agreement under which . . .
> (ii) . . . satisfactory arrangements exist in the opinion of the minister for the payment by the province directly to institutions of higher learning in the province, in accordance with and subject to terms and conditions not inconsistent with those contained in any agreement entered into—

Between the minister and the Canadian universities foundation. This is what is contained in the bill. The minister entered into an agreement on the eighteenth day of January, 1960 with the Canadian universities foundation outlining the manner in which these grants shall be paid, and also defining certain terms such as student, university, university degree and university level.

During the course of his remarks the minister also very properly said that when his government came into office there was one

of those agreements in existence between his predecessor, Mr. Harris, and the Canadian council of universities, and that that agreement defined the basis of distribution by the national council of Canadian universities. It is this agreement and the definitions contained therein that have been so strenuously opposed by members from the province of Quebec. It is the definitions contained in this agreement that have been declared in this house by Conservative members of parliament from the province of Quebec as being an invasion of the field of education; in fact, I believe the words which were used were "an invasion of the structural field of education". It is unquestionable that the words which are contained in this bill incorporate this agreement and make it binding upon the prescribed province.

The Minister of Finance can argue as much as he likes, but the words are there, namely that the prescribed province which has not entered into a tax rental agreement—that is Quebec—under which satisfactory arrangements exist in accordance with and subject to terms and conditions not inconsistent with those contained in any agreement entered into by the minister and the Canadian universities foundation. This is the agreement which I hold in my hand. Therefore, I submit with all the force at my command that the province of Quebec, if it becomes a prescribed province—and it has, to use the words of the minister, established itself as a prescribed province—will be bound by the terms of this agreement. Of that there can be no doubt. I have not heard anything to the contrary. Although I have challenged those members who stated during the course of this discussion that order in council P.C. 123 which was passed in 1952 and which is the same as this agreement of 1960 in so far as the definitions are concerned—I have not heard a word from them to the effect—

An hon. Member: You will.

Mr. Chevrier: My hon. friend says that I will. If he intends to say something about that I hope he will make a statement and explain away the fact that if it was an invasion of the field of education in 1952 to pass order in council P.C. 123, why is it not an invasion in 1960 to pass this order in council with the same definitions.

My hon. friend from Charlevoix and those associated with him, try as they may, will not, in my opinion, ever be able to wiggle out of the strait-jacket in which their colleague, the Minister of Finance, has placed them.

Mr. Fleming (Eglinton): How imaginative!

Mr. Chevrier: The minister has gone a step farther in his remarks and he has given the reason why this provision is in the bill. He explained it prior to the committee's rising at six o'clock. He said:

> It is in order to ensure equality. Otherwise, whereas distribution in the non-prescribed province must be on the basis of equality among the universities of the province as determined by student enrolment, if this were not applied to the prescribed province it would be open to such a province to apply the funds in any way it saw fit.

These words are a limitation upon the province.

Mr. Fleming (Eglinton): No.

Mr. Chevrier: The minister himself has stated that.

Mr. Fleming (Eglinton): No.

Mr. Chevrier: In his own words the minister has indicated that if this were not applied to a prescribed province it would be open to such a province to apply the funds in any way it saw fit. He said, "Parliament surely intends that there should be equality of treatment in all parts of Canada". That is another difficulty in so far as this clause is concerned.

In my estimation this forces the province to distribute its grants in a certain way. It puts a penalty on the taxpayers in that province if it does not follow the agreement with the foundation, and all we are trying to do by moving this amendment, by the removal of those offensive words, is to give the province back its autonomy.

(Translation):

Mr. Dorion: Mr. Chairman, I listened with great interest to most of the remarks made by the hon. member for Laurier (Mr. Chevrier), which were, so to speak, a second edition of what he said the other day precisely with regard to that part of the act where a change is sought in accordance with the terms of the amendment submitted by the hon. member for Cartier (Mr. Crestohl).

First of all, may I be allowed—and I think now is the time to do so—to correct certain statements that were made, first by the hon. member for Laurier and then in a slightly more shaded and mitigated form by my good friend the hon. member for Cartier. Both presented as a definite fact that the principle of federal university grants had been finally consecrated because we had voted for adoption of the bill on second reading.

Mr. Chairman, either my hon. friends have taken no interest in my own statements in this house, which as a matter of fact were echoed by some of my colleagues, or they have voluntarily and deliberately ignored

those statements to make a completely baseless assertion. On that particular point with which I am directly concerned, let me simply recall the reply I made to my good friend the hon. member for Lapointe (Mr. Brassard) when, at the very end of the speech on the second reading of the bill, I indicated that the reason why we were in favour of the bill as a whole was that, despite its weaknesses arising from the fact that it stems from a precedent inherited from the former Liberal government—and that is the cause of its weaknesses—it brought about substantial improvement in relations between the federal government and the provinces in general and Quebec in particular, and that it was a step out of the squeeze in which the provinces had found themselves ever since the day in 1951, when they had got themselves involved in that perilous adventure.

Mr. Chairman, it is an honourable compromise, a loyal and courageous effort. And right now, by the way, I want to express our gratitude to the Minister of Finance (Mr. Fleming)—and I am sincere in saying this; I want to tell him how grateful we are that he understood in the very first days we entered this house—we who came here to uphold rights and constitutional liberties which belong to the provinces in general and to the province of Quebec in particular—I want to tell him how grateful we are that he has understood our viewpoint when for 10 or 15 years his mind could have become beclouded by the brand of Canadianism that was being preached under the former government.

Now here is another one whom some hon. members tried to ridicule and whom I want to include in my tribute, and I confess that what hurt me most was the fact that those attempts came from some of our fellow citizens from the province of Quebec who are sitting in this house—I make an exception for several of them—a small number of those present who have made a show of disunity and who do not hesitate to throw mud on their own province as well as on the people who sent them here to represent them.

Do not be alarmed, Mr. Chairman, this closes the chapter of my praises.

The Chairman: I presume the chairman can trust that the hon. member will now come to the amendment—

Mr. Dorion: Certainly. Those were preliminary remarks which, I think, were necessary, in order to say how much I appreciated the work of the hon. member for Three Rivers (Mr. Balcer) and more particularly when he succeeded in reaching the compromise we know.

Mr. Robichaud: There are two sets of standing orders in this house.

Mr. Tremblay: Ignoramus. Dunce

The Chairman: Order. The remarks just made by the hon. member for Gloucester (Mr. Robichaud) are a reflection on the chairman, and I would ask him to withdraw his words immediately.

Mr. Dorion: Mr. Chairman—

The Chairman: Order. Just a moment. I was calling the hon. member for Gloucester to order. I asked him to withdraw his words.

Mr. Robichaud: I said that there were two sets of standing orders.

The Chairman: If the hon. member for Gloucester does not withdraw his words, I will have to report the fact to Mr. Speaker.

Mr. Robichaud: Since you demand it, Mr. Chairman, I shall withdraw my words.

Mr. Tremblay: Anyhow, it is quite unimportant.

Mr. Dorion: It's a good thing I did not understand.

Mr. Chairman, we have here an amendment whose purpose is to delete from the bill the following words:

> Subject to terms and conditions not inconsistent with those contained in any agreement entered into under subsection (2).

In other words—and this is what I gathered from the statements made by the hon. member for Laurier (Mr. Chevrier)—the hon. member for Laurier who, as everyone knows, is a staunch autonomist, the hon. member for Laurier sees there—

Mr. Johnson: Has been seeing for the last three days—

Mr. Dorion: ...a sort of subservience or bondage for the provinces that will resort to this new formula or method, a sort of subservience of those provinces to the federal government.

The other day I heard him, very eloquently as always, reproach me for pointing out in the speech I made on second reading, what I considered and still consider as a fantastic encroachment upon the field or existence of powers of provinces and universities, because, according to an order in council passed in 1952, which has remained in force until 1956

—something which I pointed out too, because I want to be fair to everyone—the minister had himself defined "university," a "university level," "student," and "university degree".

So, dexterous as he is, he chose and sought to show I was in contradiction with a text to which he referred in any case, saying: those definitions are to be found, word for word, in the agreement signed by the present Minister of Finance with the Canadian universities foundations.

Now, Mr. Chairman, just what is the situation? According to this text, it is required that everything be done in accordance with and subject to terms and conditions not inconsistent with the agreement referred to in paragraph (2). Now what does that mean?

I have that agreement here. It is true that the terms and definitions of those four expressions I mentioned a moment ago are practically the same. Yet there is one important difference, as I will show.

The first distinction to be made—and this was recognized by the hon. member for Laurier in his first speech on this point—is that the definition appearing in the 1952 order in council was the very definition imposed upon the universities by the Minister of Finance, while in the present case we have a contract or at least an agreement involving two organized bodies: first, the Canadian universities foundation, which as I understand was established precisely to provide for the redistribution of the money voted to it by the federal government for university purposes, and second, the national conference of Canadian universities.

It is therefore signed by those two bodies in addition to the Minister of Finance.

In other words—and let me mention here a fact on which I directed a question to my good friend the hon. member for Laurier, and failed to get a reply; I asked him whether the five Quebec universities were members of the national conference of Canadian universities, and he failed to reply.

Therefore, I will give him that answer, if I may. The answer is that Bishop, McGill, Laval, Sherbrooke and Montreal universities are members of that organization and that, consequently, in agreement with the Minister of Finance and with the Canadian universities foundation, they have accepted the definitions included in the new arrangement.

Are those definitions different from those given in 1952 by an order in council, by order of the cabinet, and in accordance with the suggestions of the Minister of Finance and without the approval not only of the provinces about whom quite a fight is being staged now whereas at that time, far from there being any fighting on their behalf they were being by-passed without the approval of the provinces, without the assent of the universities, or even without any kind of arrangement.

What has happened in 1960? Thanks to the Minister of Finance who gave consideration to the particular situation in the province of Quebec, and for which, I repeat, we are happy to thank him, the methods have changed.

He left it to the Canadian universities foundation to define, or rather determine, whether the conditions required by the definition are met for such or such university. For instance, I read, under the word "student"—

(Text):

"student" means a full-time intramural student in personal attendance at a university who is registered in a course of university level leading to and counting year for year towards a university degree, as determined by the foundation;

(Translation):

This is not the Minister of Finance's definition, it is that of the university itself. Is this not, Mr. Chairman, an essential distinction? In other words—and that is what is to be understood from the text—this dictatorial power which could be exercised and which, in fact, has been exercised, is being taken away from the Minister of Finance and handed back to the institutions concerned. Those institutions are being freed in being given the power to define of themselves what they mean by those words and the power to determine of themselves the institutions that may benefit from federal grants to universities.

(Text):

"university" means—

(Translation):

And again I am quoting the agreement:

(Text):

—an institution of higher learning in a province of Canada as determined by the foundation;

Not as determined by the minister.

(Translation):

As was the case under the Liberal administration, but—

(Text):

as determined by the foundation—

(Translation):

As is the case with the present Minister of Finance.

So, it is simple, this rule being established—

(Text):

"university degree" means—

(Translation):

And you have there the meaning of the words "licentiate's degree", "bachelor", "master", "a doctor's degree":

(Text):

awarded by a university,

(Translation):

Therefore, the definition of diplomas is subordinate to the meaning of the word "university", whereas, at the time our friends opposite were in office, those powers were being exercised by the minister. He might conceivably have been someone—I am not talking about the ministers who preceded the present minister—who knew nothing of university matters who would have had to define those terms. In any case:

(Text):

a diploma awarded by a university at the end of a course for which one of the degrees mentioned in subparagraph (i) is an entrance requirement;

(Translation):

In other words, those expressions are subordinate to the demands of our institutions of higher learning, and henceforth they—and not some federal minister of finance—will define what a university is.

It has been said, Mr. Chairman—and here I want to quote my excellent friend from Lapointe (Mr. Brassard), in the best possible spirit, for he has been extremely generous to me—because of an old frienship which he still proclaims today, and I appreciate that. He said, in particular, in his speech on the very point I am dealing with, what I shall quote from page 3555, page 9 of the appendix of the official report of the house, dated May 4, 1960:

I am at a loss to understand on the basis of what sincerity the Quebec government failed to mention in its legislation the conditions imposed by the federal government in order to dispose of a grant established by a provincial legislation for a provincial purpose.

Of course, at least to some extent he was referring to the text that is being objected to today, as a text attempting to subject the provinces, and especially the province of Quebec, to the dictates of Ottawa.

There is one thing that my excellent colleagues from Lapointe and Cartier have overlooked, and it is that the present provincial legislation has been adopted.

How can it be assumed that a text established later than some already adopted legislation can be such as to impose its provisions on previous legislation?

And that is not all. Last night the Minister of Finance told us—and we could tell that he knows the provincial legislation on that matter—that this legislation has all the required conditions for the province of Quebec to take advantage of the tax abatement provided for under the present text of the act. In other words, it is clear that this is a quarrel on words, on technicalities which, in the final analysis, are not technicalities. It is claimed that, under the terms the deletion, of which is sought, a province—and Quebec in particular—has to obey the dictates of Ottawa, whereas the province of Quebec has already adopted its own legislation, and the minister has said it meets the requirements of the definition provided in this act.

Under the circumstances, who can believe that the province of Quebec is being subordinated to the dictates of Ottawa?

There is more than that, Mr. Chairman. Obviously, it can be concluded that the province stands to benefit from the alternative policy represented by this comprise—I use the word "compromise" on purpose—which was accepted on our behalf for a two-year period. How, I ask again, could the province of Quebec be affected by this text? Such a claim shows a total misapprehension of the Quebec school system, something I do not hold against my good friend the hon. member for Laurier, because he still has something to learn about the province of Quebec. Since 1860, in fact—we happen to be celebrating the centenary this year—we have had, in the province of Quebec, a particular educational system. We have no department of education; why not? Because at that time the people of Quebec tried to remove politics and electioneering from the school system in the province—and they are still trying to abide by that rule—and, at the same time—I am pointing this out to my friends from the other provinces—the people wanted to insure the greatest degree of justice to the minority in the province.

Now, under that system, under the policy which has always been followed by all parties which succeeded each other in the administration of the province, the definition of what constituted a degree, what the conditions for getting such degree were and what a university was, has been left completely, absolutely and entirely to our universities, to our institutions of higher learning. In other words, the provincial government may not interfere in any way in the structure of our institutions of higher learning. Therefore, what is the point of the argument advanced in justification of the amendment to the effect that the province of Quebec was not a party to the agreement. If

the province of Quebec itself has believed, for nearly a century, and under all its successive governments, Liberal, Conservative, or Union Nationale, if it has considered it a sacred principle to abstain from interfering in the structure of our institutions of higher learning, why advance such an argument, why imagine such a bogey? Why create objections out of thin air which have no weight whatsoever because of the system which is peculiar to the province of Quebec, if it is not an attempt to throw confusion into the minds of the people and to blot out the eminently patriotic character of the legislation we are now about to vote and which, I trust, Mr. Chairman, will be accepted by most of the people in Quebec, except for that small group which tries to make a political football of the issue. As a matter of fact, Mr. Chairman—

An hon. Member: Talk about the Colombo plan.

Mr. Dorion: That interjection is not worth taking up.

Mr. Chairman, there are some know-alls, people who can speak about anything, on any subject. They have some general knowledge about everything but, when you try to weigh that general knowledge, it is not even worth the breath used for expressing it. It is unfortunate that the minister of finance of the day, in view of the dictatorial powers that had been given him, did not at least define the fundamental qualifications for enabling some people to sit here in this house.

Mr. Chairman, the text affected by the amendment must be judged within the context of the bill itself. To take it out of its context would be, in my humble opinion, an extremely faulty way of considering it and of passing judgment on it.

What is the object of that bill after all? A deduction of the corporation tax of 1 per cent for the provinces which will avail themselves of the alternative arrangement which is now offered them. On that score there is no possible hesitation. The fact that there will be deducted from the equalization payments the overpayment, in relation to what the federal government would have paid, will in no way affect the corporations.

The Chairman: Order. I am sorry to interrupt the hon. member for Bellechasse, but he is now discussing another aspect of clause 2 which is not the subject of the amendment under consideration at present.

Mr. Dorion: I shall try then, as far as possible, to remain within the limited scope of the amendment. In my opinion, this amendment—not the amendment but its wording rather—does not mention that the provinces will be bound or subordinate to such and such a thing. It merely says: in the appreciation of the facts in order to establish whether a province may take advantage of this alternative policy or not, those are the principles that you, as Minister of Finance must follow—

The Chairman: Order. I am sorry to interrupt the hon. member once again, but I must tell him that his time is up.

Mr. Chevrier: Mr. Chairman, I thank the hon. member for Bellechasse (Mr. Dorion) for the kind words he said about me a moment ago. I do not think he is in the habit of speaking as he did a moment ago, not so much about me as about other hon. members of this house, because, normally, he talks with great courtesy. But tonight, he slightly departed from his usual way. I hope, Mr. Chairman, you will allow me also to slightly depart from the strict wording of the law, because the hon. member, instead of sticking to the strict wording of the law, wanted to make a political speech—

An hon. Member: That is what you are doing yourself.

Mr. Chevrier: —an essentially political speech, because he had to be called to order more than once.

The hon. member said, Mr. Chairman, that we did not understand the eminently patriotic character of this bill. Well, I should like to tell the hon. member for Bellechasse that we, from the opposition, and myself, a native of another province than the province of Quebec, have no lesson in patriotism to receive from him, because in the province where I come from we have had—

An hon. Member: Where you still live.

Mr. Chevrier: —struggles to fight, and the patriotism of those who come from that province, like the patriotism of those who now surround me, is just as good as that of the hon. member for Bellechasse. The hon. member for Bellechasse is not consistent with himself.

Mr. Dorion: Mr. Chairman, on a point of order. The hon. member for Laurier (Mr. Chevrier) is so much in the habit of distorting my words that he ends up by having me say things which are completely opposed to what I think. I have never suggested that patriotism is exclusive to the province of Quebec or to members from the province of Quebec; I have

never reproached the hon. member for Laurier for not having always lived in the province of Quebec, and I resent his interpretation of what I said. There are patriots everywhere in Canada, I will grant that.

Mr. Chevrier: I thank the hon. member for the explanation he just gave. But, in the statement you made earlier, if I misinterpreted your words—

An hon. Member: As usual.

Mr. Chevrier: —which I have put down here, that is to say: "We are pursuing the eminently patriotic character". Then, I accept the correction made by the hon. member.

But, Mr. Chairman, I was getting to another point showing the inconsistency of the hon. member's statement of a moment ago. He said at the beginning of his remarks: I am against federal grants to universities, but I have voted in favour of them.

What logic on the part of that member. What logic on the part of the other members from the province of Quebec who support him. They are opposed to federal grants to universities but they vote for them.

An hon. Member: You are against the bill and you vote for it.

Mr. Chevrier: How can you, in the—

An hon. Member: Explain your logic.

Mr. Chevrier: —circumstances, understand the logic of those people.

The hon. member for Bellechasse has questioned not only my motives, but those of every member of the opposition. He has no right to question the motives of an hon. member. He can discuss a bill or an amendment, but he has no right to make such remarks as he made a moment ago. Not only was he out of order, but it was a departure from his usual courtesy.

The hon. member for Bellechasse also said he still considered fantastic—just as he did at the time of the debate on the resolution—the definitions contained not only in the order in council passed by the former government, but also in the agreement between the Minister of Finance and the Canadian universities foundation.

Mr. Johnson: That is not true.

Mr. Chevrier: However, Mr. Chairman, when the hon. member for Bellechasse read the definitions contained in order in council P.C. 123, he forgot to say that the 1952 order in council had been passed only after a joint commission, of which the ministers of finance of the federal government and of the province of Quebec were members, had designated the qualified universities. Moreover, the conference of universities acted as advisors to the minister.

Do the hon. member for Bellechasse and his colleagues forget that it was two former ministers of finance, namely Mr. Abbott and the present lieutenant governor of the province of Quebec, the Hon. Mr. Gagnon, who set up that commission and who are responsible for the definitions found in order in council P.C. 123, and also in the agreement between the Minister of Finance and the Canadian universities foundation.

The hon. member may be an expert on criminal law, but I doubt his proficiency in civil law, and I am even more doubtful as to his experience and knowledge of constitutional matters. I think we on this side of the house have just as much right as he and his colleagues to ascribe to the words of the bill the interpretation and meaning—

Mr. Fortin: The meaning that suits you best.

Mr. Chevrier:—which we consider proper.

But one thing the hon. member for Bellechasse completely overlooks is the correspondence exchanged between the two Prime Ministers, and the statement of the Prime Minister (Mr. Diefenbaker), from which I shall quote a portion presently, and which imposes a condition on the province of Quebec—

Mr. Fleming (Eglinton): No.

Mr. Chevrier: Mr. Chairman, the Minister of Finance says no. Let me remind him that on December 10, 1959, the Prime Minister of Canada made a statement of which every term and condition is incorporated in the bill before us. Here is the statement, or rather the press release, issued at the time by the Prime Minister, and I quote:

(Text):

If the government of a province requests the change to be made in respect of that province, and undertakes to provide additional grants to the universities in that province on a scale equivalent to the present federal grants of $1.50 per capita, then parliament will be asked to authorize an increase of one per cent in the abatement made in the federal corporation tax in respect of that province, from 9 per cent to 10 per cent. This increased allowance for a provincial corporation tax would be in lieu of federal grants for universities in that province. It would be necessary for the provincial legislature then to impose an additional corporation tax equivalent to the reduction in the federal tax and to authorize the payment of the additional grants to the universities.

(Translation):

Does not the hon. member for Bellechasse see in that statement an interference, a condition which has been incorporated in the bill, as a result of this press release from the Prime Minister?

Mr. Fortin: It is a press release; it is not the bill.

Mr. Chevrier: Well, Mr. Chairman, how can the hon. member for Bellechasse make in this house statements such as those he made a few minutes ago?

Besides, I take time here to say that he did not reply to the assertions we made yesterday and today, because he repeated exactly what he had already said, that those definitions, and especially that about the "university level", were fantastic. He has not changed his views in the matter. Consequently, if the definition is fantastic, why is he supporting the bill? Is it because of the interim period of two years; because he hopes that in two years from now a satisfactory agreement will be reached between the federal and provincial governments? If that is his reason for supporting this legislation, he should tell us so.

However, Mr. Chairman, there is more. There is one thing the hon. member for Bellechasse has completely overlooked. I refer to a part of the bill that we cannot tell about often enough, that the bill incorporates the agreement between the Minister of Finance and the Canadian Universities Federation and, in so doing, because of those words that we want to eliminate from section 2 and, notwithstanding the claims of the hon. member for Bellechasse and his colleagues, it binds the province of Quebec to the project and to the agreement signed by the Minister of Finance and the Canadian Universities Federation, not only with regard to the terms of the agreement, but also with regard to the definitions.

So, Mr. Chairman, I say that the hon. member for Cartier was quite justified in moving his amendment, and the proof of it is in the statement the Minister of Finance made before six o'clock.

I do not know if the hon. member for Bellechasse was in his seat at that time; if not, I will remind him of the words of the hon. Minister of Finance, who, on the amendment, had this to say:

(Text):

> This is the reason this provision is here. It is in order to ensure equality. Otherwise, whereas distribution in the non-prescribed provinces must be on the basis of equality among the universities of the province on the basis of the student enrolment, if this were not applied to the prescribed province it would be open to such a province to apply the funds in any way it saw fit.

[Mr. Chevrier.]

(Translation):

So, Mr. Chairman, to use the very words of the Minister of Finance, the prescribed province, according to this section, is not free. It will not be free to distribute the money as it would like to.

It seems that this is an adequate answer not only to the hon. member for Bellechasse, but also to the Minister of Finance, as I pointed out, incidentally, at the beginning of my remarks. This is why we support this amendment.

(Text):

The Chairman: Is the committee ready for the question?

Some hon. Members: Yes.

Amendment (Mr. Crestohl) negatived: yeas, 27; nays, 85.

The Chairman: I declare the amendment lost.

Mr. Pickersgill: I am rising to take issue with one statement which was made by the hon. member for Bellechasse, a statement which was not in accordance with the facts. The hon. member for Bellechasse said that when universities grants were first established by the St. Laurent government the minister of finance of that day arrogated to himself the power to decide—or the governor in council gave him power to decide—what were universities, what was the definition of "students" and other matters of that kind. That is not in accordance with the facts at all, as can be shown by the correspondence of that time.

On October 25, 1951 Mr. St. Laurent addressed a letter to every one of the premiers of the provinces in which he notified them of this vote of money by parliament I do not intend to refer to any part of this letter except that which concerns the point raised by the hon. member for Bellechasse. I have a copy of one of the letters in front of me now in which Mr. St. Laurent said:

> The actual method of computing the grants which the government recommended to parliament and which parliament authorized, makes available for distribution within each province a sum equal to the officially estimated population of that province multiplied by fifty cents per capita, and provides further that this sum shall be divided within the province, among the institutions of higher learning recognized by the provincial authorities in proportion to the registration at those institutions of full-time students of university level.

The letter went on to give a list of institutions as they were understood and to ask the premier of each province to make any comment or corrections on that list. I am sure the hon. member is well aware of that. An entente—which we did not mind in the

least calling an entente, and about which we told parliament—was made between the premier of Quebec of that day and Mr. St. Laurent whereby the institutions and the recipients were determined by a joint commission of the minister of finance of the federal government and the minister of finance of the provincial government, and the grants were paid in complete conformity with that joint arrangement. Accompanying the payments was a formula which the St. Laurent government accepted from Mr. Duplessis as a suitable formula. Then, when the minister of finance wrote to Mr. Duplessis the next year to ask if this arrangement could be continued on that basis—he wrote in October and he wrote again in December—the minister never received the courtesy of any reply whatsoever. That is the truth of this matter. The St. Laurent government did everything possible; it leaned over backwards to recognize the autonomy of the province in this field. It is a shocking perversion of history to suggest the contrary. If the provincial government had been willing to carry on that joint commission, there is no reason on earth why the universities of Quebec should have lost the millions of dollars they did.

I would have said nothing about this if the hon. member for Bellechasse had not chosen to misinterpret—well, to misrepresent—what was done by the greatest French Canadian, by the greatest Canadian of our time. When any hon. member talks about "la petite politique" in this country he had better not associate it with the name of St. Laurent.

(Translation):

Mr. Deschatelets: Quite the centralizer.

Mr. Johnson: We shall see after June 22 who is the centralizer.

(Text):

An hon. Member: Why did you get rid of him?

Mr. Pallett: You would not even eat with him?

An hon. Member: Why did you ditch him?

(Translation):

Mr. Fortin: Why did you give him the sack?

Mr. Pigeon: Why did you not stand up for Mr. St. Laurent?

Mr. Dorion: Whatever the hon. member might have just said, my feelings for him remain unchanged.

Mr. Fortin: He likes that.

Mr. Dorion: However, it does seem to me that the former prime minister, the Right Hon. Mr. St. Laurent, would have liked to receive such a chorus of praise when, at the last Liberal convention, he was simply put in the discard.

Mr. Rouleau: Out of order.

Mr. Fortin: Cry over your sins.

Mr. Bourget: What did you do to Mr. Diefenbaker in December 1956? You shut the doors on him, you, the Quebec members. What did you do on that occasion?

Mr. Fortin: You repudiated your leaders.

Mr. Bourget: No, I never repudiated my leaders.

Mr. Johnson: Simmer down.

An hon. Member: The member for Levis—

Mr. Rouleau: The member for Chambly had better join his brother back in Quebec, in the natural gas business.

(Text):

The Chairman: I believe the discussion has strayed a little bit in the last while. One or two words are uttered which suggest replies of all kinds. I therefore urge all hon. members to come back to the subject matter of the discussion. I know it is not easy at times. I now call on the hon. member for Bellechasse.

(Translation):

Mr. Dorion: Besides, although I was improvising earlier, I think that on one occasion, —and I will check on this—I did refer to an order in council passed in 1952. I referred to the Minister of Finance, because the Minister of Finance, by the very terms of the act, is responsible for its application.

Mr. Grafftey: Very centralizing, indeed.

Mr. Dorion: I will check, but I am quite convinced that I mentioned the order in council especially since some of my remarks were about that order in council when I took part in the debate on second reading.

I know very well that such a settlement is reached through an order in council and I even gave the number when I spoke on second reading. I would not want my earlier remarks to be misunderstood.

Reference has been made to the correspondence exchanged with Mr. St. Laurent and I must add that, on second reading, my sincerity was such that no one can make any unfavourable remark on that score.

Mr. Rouleau: Out of order, out of order, Mr. Chairman.

Mr. Dorion: During that debate, I did say—

Mr. Chevrier: It is a repetition.

Mr. Rouleau: Mr. Chairman, the member for Bellechasse is completely out of order, and I would ask you to call him to order.

Mr. Asselin: On a point of order, Mr. Chairman. The member for Bonavista-Twillingate (Mr. Pickersgill) was entirely out of order a moment ago, and he was allowed to continue and even conclude his speech. The member for Bellechasse should be treated the same way.

Mr. Rouleau: If the member for Bonavista-Twillingate was out of order as the member for Charlevoix (Mr. Asselin) is saying, it has nothing to do with the fact that the member for Bellechasse is out of order now. If the member for Bonavista-Twillingate was out of order, someone should have called the chairman's attention to that fact.

The Chairman: Once more I ask the hon. members to calm down and to be a little more pertinent in their remarks.

(Text):

Mr. Pickersgill: Mr. Chairman, I have in my hand the order in council in question, and point 3 of this order reads as follows:

Subject to these regulations, the minister may, on application by a university in a form prescribed by the minister and received by the minister or—

I draw the hon. members' attention to these words:

—in a province in which a joint commission has been set up as above mentioned—

The joint commission was mentioned previously; I continue:

—received by such joint commission, on or before the fifteenth day of February, 1952, or, in the special circumstances of any application, on or before such later date as may be fixed by the minister or the joint commission, make a grant to the university out of moneys provided by parliament.

This completely demolishes the argument of the hon. member for Bellechasse.

Mr. Chevrier: Before you put the clause, Mr. Chairman, may I ask the Minister of Finance a question or two? They have to do with the interpretation of this clause. Is it not a fact that the provincial government will not be a party to the agreement between the minister and the Canadian foundation?

Mr. Fleming (Eglinton): That is quite correct, Mr. Chairman. The provinces have not been parties to this agreement.

Mr. Chevrier: Is it not also a fact that the terms of the agreement can be changed without the approval of and without consultation with the provinces?

Mr. Fleming (Eglinton): Well, of course, without the consultation of the provinces as they were not parties to it. You realize, Mr. Chairman, that any change in the agreement must conform with the provision made by parliament. This authorization has existed up to the present time in all cases in an item in the estimates which appears in due course in the Appropriation Act.

Mr. Chevrier: May I also put this question to the minister? Is it not also a fact that under clause 2, which is under discussion, a provincial government when making an arrangement to provide for annual grants to universities in the province will have to accept the definitions contained in any agreement made by the minister with the Canadian universities foundation?

Mr. Fleming (Eglinton): Mr. Chairman, in various speeches on this subject the hon. member has slurred over some words in this clause which have real meaning. He is in effect seeking to interpret this clause as though the agreement between the minister and the Canadian universities foundation applies to all provinces.

The point here is established beyond all question. Under subclause (b) (ii) of section 2 of the bill the agreement between the minister and the Canadian universities foundation applies to the non-prescribed provinces. With respect to the prescribed provinces, you turn to subclause (1) (b)(ii). There in the terms defining prescribed province you find words reading as follows:

—in accordance with and subject to terms and conditions not inconsistent with those contained in any agreement entered into under subsection (2).

There is a very great difference between saying that the terms and conditions must be the same and saying that they must not be inconsistent with those contained in the agreement. As I have pointed out, this is the necessary means to assure equality of treatment in all parts of Canada. Without some provision of this kind in the definition of a prescribed province there would be no way of preserving that equality. I think this is the kind of condition that will commend itself to Canadians in every part of Canada. The condition is not one that is imposed on the province in the sense of the provincial government or provincial legislature; it is one imposed by the federal authority in the sense that if this condition is not conformed with then the federal tax upon federal taxpayers in the particular province follows a different course accordingly. This brings us back to the point that has been discussed again and again, Mr. Chairman. This is federal legislation concerning federal abatement of a federal tax imposed upon federal taxpayers.

Mr. Chevrier: Mr. Chairman, I realize that the answer the minister has given is the same as that which was given heretofore in answer to statements I have made but I submit to him that it is not an answer to the question. I should like to know whether the answer is

in the affirmative or negative. Will the province have to accept the definitions contained in the agreement made between the minister and the Canadian universities foundation in the light of the terms of the bill which the minister read, namely lines 18 to 25?

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member again is slurring over the words "not inconsistent with". This legislation does not at all, as he suggests, impose the terms of the agreement with the Canadian universities foundation upon a prescribed province. It simply says that for the province to qualify as a prescribed province there must be terms and conditions not inconsistent with those contained in the agreement.

Mr. Chevrier: May I ask a further question? Has the premier of Quebec been consulted with reference to this particular clause, the words that have been under discussion and the question I asked earlier?

Mr. Fleming (Eglinton): I spent some considerable time earlier reviewing all the exchanges that have occurred between the federal and provincial governments in this respect. There is nothing more I can add to that.

Mr. Chevrier: I know what the minister did and I know the minister said at one time that he did not show the bill to the premier of Quebec. I am now asking him if the premier of Quebec was consulted with reference to the words which are contained in the amendment proposed by the hon. member for Cartier.

Mr. Fleming (Eglinton): I think I was quite clear on this matter. We are just going over this again and again and again. We are just going around the tree in circles again and again. I made the extent of the discussions quite clear. I went into some detail, I thought, in connection with the meeting I had with Premier Barrette in February and I pointed out that the bill had not been drawn at that time. I knew what the bill was going to contain and I had a preliminary draft but there was no bill shown to the premier of Quebec at that meeting.

The hon. member for Laurier asked me later about the premier of the province reading the bill. I had to tell him that I have no control over the reading habits of the premier of Quebec. All I know, as I told him, is that the bill had not been printed when I discussed it with him.

Mr. Pickersgill: Perhaps the minister would permit me to ask a question and also to draw his attention to the fact that the hon. member for Laurier is not asking him about the bill at all but rather about the conditions that are in the bill. He is asking the minister whether the premier of Quebec was made acquainted by the minister with the conditions that were going to be put into this bill, not with the bill. We do not care whether he saw the bill. We want to know whether he was told what these conditions were going to be and whether he, as the Solicitor General told us he did, agreed with them or whether, as Premier Barrette says, he had no understanding of them at all.

Mr. Balcer: Here we go again.

Mr. Pickersgill: That is what we are asking and we are entitled to know. Did the minister tell the premier of Quebec when he met him what the general conditions were going to be that were going to be put in the bill?

Mr. Fleming (Eglinton): I have already said, if not four certainly three times, that at that meeting in Quebec the premier acquainted me with the legislative intentions of the Quebec government and I acquainted him with the legislative intentions of the federal government.

Mr. Pickersgill: And no agreement was reached.

Mr. Fleming (Eglinton): I have to point out again, I guess it is now the fourth or fifth time, that this legislation does not contemplate any agreement between the federal and provincial governments. It is federal legislation dealing with federal taxation and, so far as the legislation of the province of Quebec is concerned, the legislature passed its legislation respecting support of universities in that province in the exercise of its own constitutional rights. The two jurisdictions have proceeded each in its own proper constitutional sphere, with due respect for the constitutional rights and prerogatives of the other.

Mr. Pickersgill: Mr. Chairman, it is very interesting to hear the Minister of Finance tell us now that the Prime Minister was talking through his hat when he wrote the premier of Quebec on the second of February and had this to say in his letter. You gave me permission, Mr. Chairman, to refer to these letters on clause 2. This is what the Prime Minister, who is absent in London now, said and what the Minister of Finance says is nonsense tonight:

> I am glad to learn that your government agrees to the general principle for settlement of the problem and if further clarification is needed to secure agreement in detail—

The Prime Minister evidently did not know what was going on. He did not know that no agreement was necessary. He did not know that each was going to proceed in his own

sphere. The Prime Minister did not know what it was all about. This superior Minister of Finance changed the whole thing. But the funny thing is that Mr. Barrette also talked about an agreement in his reply. In his letter of February 5, after agreeing to have the Minister of Finance come to Quebec and talk to him, he said:

I presume—

Perhaps I had better start at the beginning of the sentence.

The suggestion which you make that I should meet the Hon. Donald M. Fleming, acting as representative of the federal government, and the speed with which you have replied to my letter, allow me—I presume—to anticipate that very soon you and I will be in a position to announce that the already expressed hope of a settlement regarding the grants to the universities has been realized.

Unless it has been made in a manner that has not been communicated to any member of the house, there never was any such announcement. There never was any announcement of any kind after the minister came back from Quebec. When the hon. member for Laurier asked the minister about this he said, "You will find out when you get the bill".

Mr. Fleming (Eglinton): No, no, that is not what I said. I said I would be glad to go into the matter fully on the resolution.

Mr. Pickersgill: The minister now says he would be glad to go into the matter fully.

Mr. Fleming (Eglinton): That is not what I said now; that is what I said then.

Mr. Pickersgill: All right, that is what the minister said then about what he would do on the resolution stage, but when we asked for details on the resolution stage he said, "You can wait for the bill".

Mr. Fleming (Eglinton): No, I did not.

Mr. Pickersgill: Yes, you did, and when we get to the bill he says, "This was a secret meeting and you cannot know what went on".

Mr. Fleming (Eglinton): I did not say that.

Mr. Pickersgill: The Solicitor General says they had an agreement and the minister says they had not.

Mr. Fleming (Eglinton): On a point of order, Mr. Chairman, the hon. member has attributed to me words I never used. He said that I said it was a secret meeting, and a number of other things. I have not said any such thing. Stick to the facts.

Mr. Pickersgill: As a matter of fact, maybe it was a public meeting to which no one was admitted, about which no communiqué was issued and about which we can find out nothing when we ask questions.

Mr. Fulton: The kind you and Joey have.

Mr. Pickersgill: Oh, not the kind of meeting the Minister of Justice had with the premier of Newfoundland, and if I were the Minister of Justice I would not talk very much about my visit to Newfoundland.

Mr. MacInnis: You cannot talk so much about your visits to Newfoundland.

Mr. Pickersgill: As a matter of fact, this goes farther back than that. In the letters that the minister put on *Hansard* in order that we would have the whole record clear, the letter that the Prime Minister wrote to the premier of Quebec, at that time Mr. Sauve, on December 22 also refers to this matter. Mr. Barrette's reply of January 21 also refers to it. He says:

—your government and ours will come to an agreement on this subject.

Now, three times, in the letter of January 21, the letter from Mr. Barrette, and the letters of February 2 and February 5, all of them talk about an agreement. The Solicitor General comes in and makes a speech in this house, and he certainly gives the impression or uses words that certainly give the impression there was an agreement. Then, all of a sudden—

Mr. Balcer: I have denied that about five times.

Mr. Pickersgill: You say there is disagreement, then, do you?

Some hon. Members: Oh, oh.

Mr. Grafftey: Be responsible.

Mr. Pickersgill: You know, sir, before we had this government, either a thing was something or it was not. Now we have a kind of grey world in between. I say that either there is an agreement or there is not an agreement. It is very clear that this correspondence, right up until the last letter that was written, envisaged an agreement. I am not going to attempt once more to interpret those words of the Solicitor General. They have been advertised enough for everyone to judge for himself what they mean, if indeed they mean anything. One is beginning to wonder whether they did mean anything because the Minister of Finance will not say he did not have an agreement with the premier of Quebec and he will not say that he did. He will not tell us whether he did or whether he did not.

Surely before we are called upon to pass this legislation, which was supposed to solve

the problems between the two governments, we are entitled to know whether or not both governments are satisfied.

An hon. Member: They are.

Mr. Pickersgill: Are they satisfied? What is the evidence? The latest evidence we have on this subject is Mr. Barrette's speech of last Sunday in which he said there was no understanding, no agreement and no accord. Surely we are entitled to know what the situation is.

Mr. Chevrier: Mr. Chairman, during the course of the statement by the Leader of the Opposition he put a question to the Minister of Finance which was not answered. I should like to put it to him now. It was this: Does the government still advocate substituting for tax-sharing and equalization the kind of allocation of tax fields which it talked about when it was in opposition? This will be found on page 3590 of *Hansard*.

Mr. Fleming (Eglinton): Mr. Chairman, the rule is that discussion has to be strictly relevant to the clause under consideration. This subject has nothing whatever to do with this particular clause.

An hon. Member: You are afraid to answer.

Mr. Fleming (Eglinton): There is a raucous voice over there of an hon. member who is engaged in a breach of the rules of the house. Perhaps the hon. member does not know that, but it is high time he did learn.

Mr. Chevrier: I find that the chairman has been rather careful in having the rules observed this evening, so I think he should be left with that jurisdiction, not the Minister of Finance. Could I ask the minister another question? Could the minister give the house an assurance that this provision that is under discussion now is not a violation of section 93 of the constitution?

Mr. Fleming (Eglinton): It is not a violation of the British North America Act at all. This bill is constitutional in all respects.

Mr. Chevrier: The question I put to the minister was whether it was a violation of a particular section, section 93.

Mr. Fleming (Eglinton): It is not a violation of any provision of the constitution. The only thing it seems to violate is the sense of the hon. members opposite in trying to maintain and continue a situation of very great injustice to one province in this country.

Mr. Chevrier: Can the minister say, if it is not then a violation of the letter of the constitution, it is also not a violation of the spirit of the constitution?

Mr. Fleming (Eglinton): I consider that this measure is a fulfilment, not only of the letter of the law, of the constitution, but is a fulfilment of the spirit of the constitution. It is necessary that this should be done because the legislation that existed before certainly did violence to the spirit of the Canadian constitution.

Mr. Chevrier: I am sorry the minister finds it necessary to make a speech in answer to every question I ask. However, that is his privilege, and I suppose I can do the same thing. I should like to ask a number of other questions before we dispose of this clause. One of them is this: Is the minister in favour of federal grants to universities in principle or only as a temporary solution for a period of two years?

Mr. Fleming (Eglinton): Mr. Chairman—

The Chairman: Order; I have up to now permitted an exchange of questions and answers between the hon. member for Laurier and the Minister of Finance, but I must draw the attention of the committee to the fact that these questions are not relevant to clause 2. A discussion of the constitutionality of the bill in general was a matter for debate on second reading. Here there is no relation to any part of the clause under consideration, and I would rule that these questions and answers are out of order.

Shall clause 2 carry?

Mr. Chevrier: No, Mr. Chairman, we would like to have a division on clause 2.

Clause 2 agreed to; yeas, 87; nays, 26.

On clause 3—*Alteration of act in its application to fiscal years ending March 31, 1962.*

Mr. Chevrier: I should like to ask the minister on clause 3 the question I put to him earlier and which he said was out of order. I think it is in order here. Does the government still advocate substituting for tax-sharing and equalization the kind of allocation of tax fields which it talked about when it was in opposition?

Mr. Fleming (Eglinton): The views of the government relevant to the subject matter of this bill are adequately expressed in the terms of the bill.

Mr. Chevrier: May I ask whether the government will continue the policy announced by the Prime Minister in Manitoba during the election of 1957, namely that the Conservative government would maintain the principle of equalization?

Mr. Fleming (Eglinton): The Conservative government has not only maintained the principle but has extended it.

Mr. Regier: May I ask the minister whether there is any particular reason for having decided on the year 1962 as it appears in this clause?

Mr. Fleming (Eglinton): Because that is the date of conclusion of all agreements authorized by the Federal-Provincial Tax-Sharing Arrangements Act. In other words, the amendment deals with a period co-terminous with the period appointed by the main act.

Mr. Martin (Essex East): At the end of 1962 will the government extend the principle of equalization to the provinces?

Mr. Fleming (Eglinton): If by any chance my hon. friend is a member of the House of Commons when this question is decided he will certainly be made aware of it.

Mr. Martin (Essex East): The minister may or may not wish to reply to the question. The question was a clear one. At the end of this period or the expiry of it will the present government, if in office—something of which I am extremely doubtful—extend the principle of equalization or is the principle of equalization to be extended to the provinces only for a limited period as previously stated by the Minister of Finance?

Mr. Fleming (Eglinton): That, of course, will depend upon the will of parliament.

Mr. Martin (Essex East): Oh, oh. From what the minister said I take it that this government, so far as the Minister of Finance is concerned, does not wish at this time to state whether or not the principle of equalization will be extended beyond the two-year period. That is the only legitimate interpretation that can be made of the remarks, ambiguous as they are, of the Minister of Finance.

Mr. Fleming (Eglinton): It is difficult to restrain one's mirth after such a harangue from the hon. member for Essex East.

Mr. Martin (Essex East): That is the situation.

Mr. Fleming (Eglinton): Oh, no. The hon. member for Essex East is seeking to impose his interpretation on the committee. I must dissent from his attempt to impose his interpretation on me. I want to make that point very clear.

Mr. Martin (Essex East): But that is the situation.

Mr. Fleming (Eglinton): I will say to the hon. member for Essex East, as I have said in the chamber on a previous occasion, which he no doubt has forgotten, that the present government has nothing whatever to learn from its predecessor about rendering effective assistance to provinces whose fiscal positions require it.

Mr. Regier: I should like to thank the minister for his answer previously. He said the reason for the date of March 31, 1962 is that it coincides with the date when other existing agreements under the Federal-Provincial Tax-Sharing Arrangements Act expire. I should like to ask the minister this question. Is it the intention of the government, in making these two dates coincide, that after March 31, 1962 extraordinary arrangements will no longer be made with regard to federal aid for our universities as such?

Mr. Fleming (Eglinton): No inference should be drawn in that regard. Announcement has already been made of the calling of a plenary dominion-provincial conference for July 25, 26 and 27 next, at which there will be discussion of what shall be the fiscal relations between the federal and provincial levels of government after March 31, 1962.

Mr. Regier: I should like to ask the minister this question. In making new arrangements with the provinces for tax-sharing agreements is it the intention of the federal government to move out of the specific field of federal aid toward universities?

Mr. Fleming (Eglinton): I have already said that no inference should be drawn of the kind the hon. gentleman is proposing to draw. I have given the reason. We are now past the section dealing with university grants entirely. We are on clause 3 of the bill which deals with the increase from 10 per cent to 13 per cent in the provincial share of the yield from the personal income tax.

Mr. Regier: I will ask only one more question. Is it the policy of the government, of which the minister is the Minister of Finance, that there shall continue to be federal aid to the universities of Canada?

Mr. Fleming (Eglinton): This bill makes provision for the continuance of the aid to universities to March 31, 1962. It puts that aid on a statutory basis. Never before has it been on that basis. It makes provision this time two years in advance, something which has never been done before. Previously this aid had always simply been on the basis of an annual vote, an item in the estimates. Under the provisions of this bill aid to the universities is assured for a longer period and on a surer basis than has ever been known previously.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read a third time?

Some hon. Members: Now.

Mr. Speaker: Now. Agreed.

Mr. Fleming (Eglinton) moved the third reading of the bill.

Hon. J. W. Pickersgill (Bonavista-Twillingate): In the committee stage through which the bill has just passed, Mr. Speaker, we have made every effort we could think of—

Mr. Fulton: And some you did not even bother to think about.

An hon. Member: That is a cynical remark.

Mr. Pickersgill: The Minister of Justice (Mr. Fulton) is in one of his usually helpful moods. As I was saying, Mr. Speaker, we have used every device it is possible to use in the committee to record the position we take with regard to this bill—

Mr. MacLean (Winnipeg North Centre): How did you vote?

Mr. Pickersgill: —namely that a substantial part of the bill is simply a continuation of Liberal legislation, but that there has been introduced into it an element which we find to be of dubious constitutionality and an undoubted invasion of the real liberty, autonomy and rights of any province which takes this alternative which the bill seeks to provide.

Mr. MacLean (Winnipeg North Centre): How did you vote on second reading?

Mr. Pickersgill: The hon. member asks me how we voted on second reading. May I say that on second reading we voted for the principle of university grants and the principle of equalization, both Liberal principles. However, at the time we said we would do our best to take the objectionable features out of the bill in committee and we did so.

An hon. Member: Or tried to do it.

Mr. Pickersgill: We were not successful, thanks to the centralizing attitude of the Minister of Finance (Mr. Fleming). I do not think there are likely to be pronounced in this House of Commons for a long time to come words that will ring around this country so much as did the words used by the Minister of Finance when he said that if he had accepted our amendment it would be open to the province to apply the funds—that is the funds that the province collected from its own taxes—in any way it saw fit. In other words, we tried to put the province in a position to spend its funds in any way it saw fit, because we believe in provincial rights; and hon. gentlemen opposite were determined to force a system of uniformity upon all the provinces and insist that they must conform to an agreement to which they were not a party. That is the position. I tell you, sir, it will be a long time before anyone who genuinely cares about the rights of the provinces will forget the words of the Minister of Finance, that it would be open to the province to apply the funds collected by the province from a provincial tax "in any way it saw fit". If a province cannot spend its money in any way it sees fit, where is there any autonomy?

I do not intend to engage in any tedious repetition.

Mr. Pallett: The hon. member is tedious without repetition.

Mr. Pickersgill: I hope we can complete this matter tonight. However, I intend to move, seconded by the hon. member for Gatineau (Mr. Leduc):

> That the said bill be not now read a third time but that it be referred back to the committee of the whole for the purpose of reconsidering the removal from clause 2 of the provision that the arrangements for the payment by the province directly to institutions of higher learning should be satisfactory in the opinion of the Minister of Finance and in accordance with and subject to terms and conditions not inconsistent with the terms and conditions of the agreement between the Minister of Finance and the Canadian universities foundation.

Mr. Speaker: Before I put the motion, does any hon. member wish to comment on it?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, just briefly, I am encouraged by one thing. The hon. member said he wanted to see this matter disposed of tonight.

Mr. Speaker: I was seeking comments as to the merits of the amendment.

Mr. Fleming (Eglinton): That is my intention, Mr. Speaker. This amendment in my submission is not in order. It purports to direct the committee of the whole to reconsider the removal of clause 2 but it does not set forth the precise terms of the words that should be struck out or the precise terms of the words that should be added. This is vague and general. For those reasons it does not conform at all with the rules applicable to order as applied to amendments introduced on third reading.

Mr. Pickersgill: If there is any doubt about the matter I would refer Your Honour to citation 415 of Beauchesne's fourth edition which reads:

> When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular.

Mr. MacInnis: What is the particular?

Division

Mr. Pickersgill: It seems to me that that is very adequately covered by the amendment. There is no suggestion here that one has to cite the exact words in order to accomplish that purpose.

Mr. Speaker: The citation referred to by the hon. member, citation 415 of Beauchesne's fourth edition, seems to cover the principle of the situation at this time. The other point made was as to its vagueness. The other consideration is as to whether the amendment tends to change a principle approved on second reading. I think it does not do the latter. It has not been held that amendments are not in order because they are vague or completely unintellible even. On the whole I think this amendment is one that should be put and I will proceed to do so.

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

YEAS

Messrs:

Argue
Badanai
Batten
Benidickson
Boivin
Boulanger
Bourget
Caron
Chevrier
Crestohl
Deschatelets
Dumas
Eudes
Fisher
Forgie
Garland
Granger
Habel
Hellyer
Leduc
McMillan
McWilliam
Martin (Essex East)
Meunier
Mitchell
Peters
Pickersgill
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robichaud
Rouleau—32.

NAYS

Messrs:

Aiken
Aitken, Miss
Anderson
Asselin
Balcer
Baldwin
Barrington
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bigg
Bissonnette
Bourbonnais
Bourdages
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Campbell (Lambton-Kent)
Cardiff
Chambers
Charlton
Chown
Churchill
Clancy
Comtois
Cooper
Crouse
Danforth
Dinsdale
Dorion
Doucett
Drouin
Dubois
English
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Forbes
Fortin
Frechette
Fulton
Grafftey
Green
Grills
Gundlock
Hales
Hamilton (Qu'Appelle)
Hamilton (York West)
Hanbidge
Henderson
Herridge
Hicks
Hodgson
Horner (Acadia)
Howe
Johnson
Jones
Kennedy
Knowles
Lafreniere
Lahaye
Lambert
Legere
Letourneau
Macdonald (Kings)
Macdonnell
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
MacRae
McDonald (Hamilton South)
McFarlane
McGrath
McGregor
McIntosh
McLennan
McQuillan
Martini
Matthews
Montgomery
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Nielsen
Noble
O'Hurley
Pallett
Parizeau
Pascoe
Paul
Payne
Pearkes
Phillips
Pigeon
Pugh
Rapp
Regier
Richard (Kamouraska)
Rompre
Sevigny
Simpson
Slogan
Smallwood
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Starr
Stefanson
Stewart
Tassé
Taylor
Thompson
Tremblay
Villeneuve
Webb
Webster
Winch
Wratten—123.

Mr. Speaker: I declare the amendment lost. Is the house prepared to deal with the main motion?

Hon. Lionel Chevrier (Laurier): Mr. Speaker, before we vote on third reading I want to state the position of our party and I will do it briefly.

Mr. Balcer: Have you changed your mind again?

Mr. Chevrier: We are taking precisely the same position as taken by our leader on second reading, namely that we do not intend to vote against the scheme of equalization established by Mr. St. Laurent, or even appear to be made to do so. We do not intend to vote against the St. Laurent formula for university grants which this government is continuing for nine out of the 10 provinces and which the Solicitor General considers unconstitutional—

Mr. Grafftey: Why was it not accepted?

Mr. Chevrier: —but which the Minister of Finance (Mr. Fleming) says is completely constitutional.

We have used every device at our command open to an opposition to prevent this government from putting into this bill the alternative method of paying university

grants which seems to be of doubtful constitutional validity and which is certainly an invasion of the normal jurisdiction of a province. So far as we can learn from the contradictory statements of the ministers and the correspondence of the Prime Minister, this invasion of the rights of the province of Quebec seems to have been approved and accepted as satisfactory, indeed, as a magnificent solution by the present premier of Quebec.

We have done our best to remove the objectionable features in this bill and the people of Quebec will now be able to decide the question for themselves. We believe that within a year the present government will have to come back to this parliament and ask us to enact the constructive amendment we offered today. Meanwhile, we are not going to repudiate the constructive achievements of the St. Laurent government in the field of equalization of aid to universities.

On this bill the division is not in our party but on the other side of the house in the Conservative party, and that division has been reflected in the votes and the absences we have seen today. As a matter of fact, on one vote there were only 12 Quebec Conservative members from the other side of the house who voted against our amendment.

Mr. Pallett: The hon. member cannot count.

Mr. Chevrier: Conservative members from the province of Quebec who voted against our amendment.

Mr. Pallett: That statement is completely inaccurate.

Mr. Chevrier: That division has been reflected on more than one occasion during the course of the voting.

The Minister of Finance has told us that this arrangement was perfectly satisfactory to the government of Quebec. Why, then, were most of the Conservative members from Quebec absent from the house and why did they fail to support the government on our amendments this afternoon and this evening?

I want to repeat that the division of opinion is not within our ranks, but within the ranks of the Conservative party.

Mr. Fleming (Eglinton): Mr. Speaker—

Mr. Speaker: Is the minister rising to speak?

Mr. Fleming (Eglinton): To reply.

Mr. Pickersgill: On a point of order, sir, the minister has spoken.

Mr. Speaker: Order. Third reading is not a substantive motion and there is no right to reply. I am afraid I cannot hear the Minister of Finance. Is the house ready for the question?

Mr. Balcer: On a point of order, as a member of this house I want to protest against the words of the hon. member for Laurier with respect to the presence of the Quebec Conservative members in the house at the time of the voting.

Mr. Chevrier: There were only 12.

Mr. Balcer: There were more than that.

Mr. Speaker: Order. Is the house ready for the question?

Mr. Fleming (Eglinton): Mr. Speaker, I have not spoken on the motion for third reading; I moved it. If you rule I have no right to reply to what has been said I will not press the point.

Mr. Martin (Essex East): That is the rule.

Mr. Fleming (Eglinton): I do wish to say this on a point of order, Mr. Speaker. The hon. member for Laurier violated—

Mr. Chevrier: No; I rise on a point of order.

Mr. Speaker: Order.

Mr. Fleming (Eglinton): I am raising a point of order, Mr. Speaker.

Mr. Speaker: I have not recognized any point of order. The Solicitor General knows that he is entitled to rise and speak if he wishes. If the minister has a point of order—

Mr. Fleming (Eglinton): I want to raise a similar point, Mr. Speaker. There is a rule in this house that no hon. member may reflect on the vote of any member of the house, and what—

Mr. Chevrier: I rise on a point of order.

Mr. Fleming (Eglinton): —the hon. member for Laurier has done has been to reflect on the vote of a number of members of this house, and he has done it in a way that he must realize is a very great injustice to hon. members of the house, which I am quite sure they will be pleased to demonstrate to him on the vote which will now take place.

Mr. Chevrier: Mr. Speaker, I think I am entitled to reply to the point of order.

Some hon. Members: No.

Mr. Speaker: Order. What the Minister of Finance raises is a matter of privilege of members of the house, and I will hear the hon. member for Laurier.

Mr. Chevrier: I do not want to pursue the matter unduly but I submit with deference, Mr. Speaker, that it is the right of any hon. member, as it has been on more than one

occasion, to state what the position was with reference to a vote, and I dealt with only one vote. If I had dealt with the other vote it would have been infinitely worse than the figures I gave.

Mr. Speaker: Order. It is a well recognized rule of the house that a member is not to reflect on the conduct of another member in voting. The remarks of the hon. member for Laurier were in pretty general terms and not related to any specific member. He did relate them to a class, namely those from the province of Quebec, and I think he is getting very close to the line of what would be considered a breach of the privileges. But I consider that perhaps the matter might not be pursued in view of the generality of the statement. Is the house ready for the question?

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, I will be a good deal briefer than the hon. member for Laurier (Mr. Chevrier) but I do not believe we should have the vote until someone has replied to his statement. I have listened with great care to the amendments to this bill offered by the opposition and the effect of each and every one of them is the same. This government has, after a great deal of discussion—

Some hon. Members: Ten o'clock.

Mr. Speaker: I hear that it is ten o'clock.

Mr. Chambers: May I ask unanimous consent to reply very briefly to the hon. member for Laurier?

Mr. Chevrier: As far as I am concerned, you may have it.

Mr. Speaker: Is the house prepared to dispose of this matter tonight?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Argue: Mr. Speaker—

Mr. Lambert: Don't you talk about long sessions.

Mr. Argue: Who is threatening whom now?

Mr. Speaker: Ten o'clock.

Mr. Chambers: On a point of order, Mr. Speaker—

Some hon. Members: Ten o'clock.

Mr. Chambers: On a point of order—

Mr. Speaker: The hon. member will please resume his seat. It having been called ten o'clock, there is no right to raise a point of order.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire of the house leader what the business is for tomorrow?

Mr. Churchill: The business for tomorrow will be the third reading of the bill we were debating today, followed by the estimates of the Department of Agriculture and, if they are completed, the estimates of the Department of Fisheries. On Monday the intention is to commence with item No. 12 on today's order paper which is a motion in my name to set up a select committee to deal with research and other matters. The second item would be item No. 1 on today's order paper, Bill No. C-57, to amend the Trans-Canada Highway Act. Item No. 3 for consideration on Monday or Tuesday would be No. 14 on the order paper, the resolution in the name of the Minister of Northern Affairs and National Resources dealing with the Yukon Act. Item No. 4 would be the resolution in the name of the same minister dealing with the Northwest Territories Act. If these are completed, item No. 5 would be No. 16 on today's order paper, the resolution in the name of the Minister of Transport dealing with amendments to the Railway Act.

Mr. Chevrier: I am sorry, but I could not understand the last part of the business announced by the house leader. Did the last part refer to the business for Monday?

Mr. Churchill: I was talking about Monday when I named five items. They might carry over to Tuesday, but I have not announced anything for the balance of the week. We will see what happens on Monday.

It being fifteen minutes after 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:

COMMONWEALTH SCHOLARSHIP AWARDS

Question No. 360—**Mr. Boulanger:**

1. How many scholarships have been granted by Canada following the agreement between the commonwealth countries, for the years 1958 and 1959?
2. What amount was spent for each of the years 1958 and 1959?
3. What was the number of such scholarships granted for each one of the Canadian universities?
4. How many students from commonwealth countries have attended each of our Canadian universities in 1958 and 1959?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. The commonwealth scholarship scheme was established after a meeting of commonwealth representatives in Oxford in July, 1959. The first group of scholars under this scheme will come to Canada in September, 1960.

Under the Colombo plan which has been in operation since 1951 Canada provides technical aid to commonwealth and non-commonwealth countries of south and southeast Asia. The number of scholarships under this plan provided by Canada to commonwealth countries of the area in 1958-59 was 87 and in 1959-60 was 151.

2. The amount of money spent by Canada under the Colombo plan on training programs in 1958-59 was $863,502.86 and in 1959-60 was $996,027.40.

3. Scholarships granted in these two years were awarded according to the requests received and the academic programs of the students concerned. The numbers of students assigned on this basis to universities in Canada from commonwealth countries were as follows:

Question

	1958-59	1959-60
U. of Alberta	4	6
U. of British Columbia	8	9
Carleton U.	0	12
U. of Manitoba	9	1
U. McGill	3	12
McMaster U.	2	2
U. of New Brunswick	2	3
*Laval University	8	16
*U. de Montreal	22	25
Ontario Agri. College	0	5
Ottawa U.	1	4
Queen's U.	2	1
St. Francis Xavier U.	0	2
Saint Mary's U.	1	3
St. Patrick's	3	1
U. of Saskatchewan	0	4
Toronto U.	15	12
U. of Western Ontario	3	3

*Includes non-commonwealth Colombo plan students.

4. The number of students from commonwealth countries who were in attendance at each Canadian university in 1958-59 by their own private arrangement or by various types of scholarships was as follows:

Acadia U., 34; U. of Alberta, 49; Assumption U., 25; Bishop's U., 2; U. of British Columbia, 416; Carleton U., 12; Dalhousie U., 71; U. of King's College, 6; U. Laval, 8; U. of Manitoba, 241; McGill U., 543; McMaster U., 29; U de Montreal, 5; Mount Allison U., 92; Mount Saint Vincent College, 11; U. of New Brunswick, 38; Nova Scotia Technical College, 13; U. d'Ottawa, 80; Queen's U., 129; St. Dunstan's U., 11; St. Francis Xavier U., 31; U. Saint-Joseph, 5; St. Thomas' U., 1; Saint Mary's U., 17; U. of Saskatchewan, 104; Sir George Williams U., 82; U. of Toronto, 485; U. of Waterloo, 1; U. of Western Ontario, 82.

Note:

1. Statistics are not yet available for 1959-60.

2. The numbers include about 1,000 from the British Caribbean area, 600 from Hong Kong and 500 from the United Kingdom.

79951-0—243

APPENDIX

RESOLUTION OF U.S. SENATE RESPECTING INTERPARLIAMENTARY GROUP

86th Congress
2d Session

S. Res. 308

IN THE SENATE OF THE UNITED STATES

April 25, 1960

Resolved, That it is the sense of the Senate that the exchanges of views which took place last week between twenty four members of the Canadian parliament and twenty four members of the United States congress—

1. Served to promote further the basic understandings which exist between the peoples of Canada and the United States;

2. Served to strengthen the bonds of friendship between these peoples; and

3. Served to emphasize once again the unity of purpose, the unity of thought, and the unity of spirit with which Canada and the United States seek to promote peace and freedom throughout the world.

Resolved further, That the secretary of the Senate transmit this resolution to appropriate officers of the Canadian parliament.

Attest:

Felton M. Johnston,
Secretary.

HOUSE OF COMMONS

Friday, May 13, 1960

The house met at 11 a.m.

UNEMPLOYMENT INSURANCE

TERMINATION OF SEASONAL BENEFITS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. H. W. Herridge (Kootenay West): I wish to move, seconded by the hon. member for Vancouver East (Mr. Winch), the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the imminent termination of unemployment insurance seasonal benefits to approximately 200,000 unemployed persons, which will cause further hardship to those affected and impose an increased financial burden on hundreds of municipalities.

In proposing this motion, Mr. Speaker, I am sure there is no necessity to emphasize to the members of the house the importance of the subject with which it deals. I think on that we all agree.

In view of the termination of unemployment insurance seasonal benefits on May 15 and consequently the urgency of the question I suggest, Mr. Speaker, that the answers given by the Minister of Labour (Mr. Starr) in this house to questions of members of the opposition with respect to this very important question to thousands of Canadians have created an anxiety among those persons, thousands of unemployed Canadians, that demands immediate consideration and action by this house.

Mr. Speaker: Before I make the decision which falls to the Chair, does any hon. member from either the government or the opposition wish to comment on the compliance with standing order 26 of the proposed motion?

Hon. Paul Martin (Essex East): I rise, Mr. Speaker, to support this motion put forward by the hon. gentleman who has just spoken. It is clear, under the citation to which the hon. member directed Your Honour's attention, that this is a matter of great urgency and also a question which, in consequence, creates a situation that can only be characterized by urgency of debate.

It will not be a satisfactory answer for hon. gentlemen opposite to say that during this session there has been ample opportunity to discuss this question of unemployment. The question now before us is a new situation, one that arises because of the termination date on Monday as a result of which thousands of individuals in this country will not be able to obtain the beneficial results and consequences of the seasonal benefits.

The latest unemployment figures which were made available to us indicated that on the lowest basis 556,000 people, at a minimum, were out of work. It surely is not an overstatement to argue that the most important single domestic problem is that of unemployment, now brought into focus by the fact that these benefits are no longer to be available to a very large number of those who come within the category of men and women out of work.

We in the Liberal party therefore strongly support this proposal, and we ask for an opportunity of debating a question which arises now for the first time in this context, a question that is clearly within the citation and one that calls for solution at the hands of the government of the day. The minister has given a straightforward answer as to the government's intention in this particular, pursuant to a question that was put to him the other day. He having taken that position, we ought now to be afforded on opportunity under this procedure of giving the reasons why the stand taken by the government should be changed and why we on this side of the house should be given an opportunity of successfully resisting that stand.

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, it is very touching to hear the hon. member for Essex East (Mr. Martin) appealing for an opportunity to discuss this question. His government had the opportunity for a good many years to extend the period during which benefits would be available but they did nothing about it, and it remained for the present government to put into effect the present legislation.

Some hon. Members: Hear, hear.

Mr. Speaker: Order. I must ask the minister to speak to the question of the relevancy of this motion.

Mr. Green: Mr. Speaker, the hon. member for Kootenay West (Mr. Herridge) and the hon. member for Essex East were able to make political speeches during the course of their observations. I hate to contravene the rules, but I do submit that I should be entitled to the same opportunity.

79951-0—243½

Mr. Speaker: I agree the minister is entitled to the same latitude, but I thought perhaps a cautionary word in view of his opening sentence would be appropriate.

Mr. Green: Mr. Speaker, this is not the type of case in which leave for a motion to adjourn the house should be entertained, because it has been known since the start of this session that these benefits would expire at a certain time. It is not something which has just come up at the last minute. All hon. members have known this. They have been discussing it off and on since the house opened on January 14; and if under these conditions it were possible for a motion to be entertained to adjourn the house, then I do suggest it would make a farce of this whole rule.

Mr. Speaker, the rule is designed to deal with something which comes up suddenly and in an unusual way. In such situations, then quite properly there is provision for moving to adjourn the house. But here we have what is in effect an attempt to thresh old straw which has already been threshed in previous debates during the present session. Not only has there been opportunity for debate in the weeks which have passed, but there will be opportunity for debate on various occasions during the remainder of the session.

I do suggest to you, Mr. Speaker, that you should not be influenced by these synthetic crocodile tears which are being shed on the other side of the house, and that the business of the house should be allowed to proceed in the normal way. These questions are matters of government policy and government policy, determined quite a long time ago, has been carried out. If there should be any change in government policy, then of course it would have to be announced in due course.

Mr. Martin (Essex East): But Monday is the last day; that is the point.

Mr. Fulton: Mr. Speaker—

Mr. Speaker: I think I have heard sufficient discussion of the question to enable me to determine it.

The request for leave to move the adjournment of the house is really, I suppose, for the purpose of urging the continuance of the seasonal benefits under the Unemployment Insurance Act benefits which expire on May 15. There is nothing sudden or unexpected about the expiry of these benefits. The period of benefits was settled by a decision of this house and parliament, and must have been in the minds of members of the house since that decision was taken, which was some time back. So in that sense there is not a sudden or unexpected change of circumstances which confronts the house and requires the suspension of other business to give it consideration.

What in effect we would be discussing—and I think this appears from what has been said by the hon. member who raised this question and the hon. member for Essex East—would be, really, the problem of those who are unemployed in this country and who would be affected by the expiration of these benefits. I do not think I could properly accept a motion which would suspend other business in order to discuss that question, because I have on other previous occasions this session suggested that the problem of unemployment is a continuous problem and not one which should be debated by the house under this particular procedure.

Therefore, consistently with what I have said before, I conclude that this request for leave under standing order 26 should not be permitted.

(Translation):

NATIONAL DEFENCE

ACTIVE SERVICE STATUS OF MEMBERS OF REGULAR FORCES EXERCISE THEIR FRANCHISE —MR. BOURGET

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I should like to direct to the Associate Minister of National Defence a question of which I gave him notice.

Could the minister tell us whether members of the regular armed forces are, in the legal sense, on active duty?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I thank the hon. member for Levis for giving me notice of this question.

In reply, I wish to inform him that members of the regular armed forces of Canada are, in the legal sense, on active duty. They were put on active duty at the time of the Korean war, and this situation has remained unchanged since then.

Mr. Bourget: A supplementary question, Mr. Speaker. In view of the minister's reply that those servicemen are on active duty, does it mean that, since they are qualified voters, they will be unable to vote in the Quebec provincial election at locations where they are now stationed?

(Text):

Mr. Speaker: Order. Before the minister replies may I ask the hon. member who proposed the supplementary question whether he is not asking for an expression of opinion on a question of law with respect to voting

in the provincial elections. It is not the general practice to ask for opinions on matters of law at this point in our proceedings, and I think this would be particularly so if the question sought an interpretation of the electoral law of a province.

Hon. Lionel Chevrier (Laurier): I should like to address a question to the Acting Prime Minister, in the light of the reply which has been given by the Associate Minister of National Defence. In view of the wording of the order in council to which reference has been made, which states among other things that officers and men of the Canadian forces not exceeding 15,000 in number at any one time may most effectively participate in action undertaken by the United Nations to restore peace in the Republic of Korea, would the Acting Prime Minister get an opinion from the law officers of the crown as to whether the order in council is still in force, or whether it has been spent, since there is no longer any fighting in Korea?

Hon. Howard C. Green (Acting Prime Minister): I will be very glad to have this matter looked into.

(Translation):

Mr. Bourget: I wish to direct another question to the Associate Minister of National Defence.

Could the minister indicate whether members of the armed forces now stationed in the province of Quebec will be allowed to stay there until the day after the elections, so that they may exercise their franchise before being moved to another camp?

Mr. Fortin: Mr. Lesage asked that question yesterday.

Mr. Sevigny: Mr. Speaker, the hon. member for Levis will not doubt understand that armed forces personnel are subject to the contingencies of their military obligations, particularly to those connected with service arising out of any developments that may occur in the matter of defence.

It would be difficult for me to assure him with absolute certainty that all members of the armed forces will remain stationed where they are now until the day of the provincial elections.

(Text):

BRITISH COLUMBIA—REPORTED OPERATION OF AIR STRIP BY U.S.

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the minister any statement or explanation in respect to a Canadian Press report from Vancouver to the effect that the United States air force is operating an air strip in the Puntzi lake district of British Columbia?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, at Puntzi lake one of the Pine Tree radar stations is established. At that station an air strip was completed in 1954 in order to enable light aircraft of the Otter type to supply the personnel of that station with the necessary provisions, etc. That station, as are a number of others, is operated by United States personnel under the original Pine Tree agreement.

Mr. Hellyer: A supplementary question. Can the minister confirm or otherwise reports from civilian pilots flying regularly in the area that they have observed considerable jet activity around this field?

Mr. Pearkes: No, Mr. Speaker, I do not think there has been any considerable jet activity in that area.

FRANCE—DISCUSSION OF DEFENCE MATTERS BY ASSOCIATE DEFENCE MINISTER

On the orders of the day:

Mr. Speaker: The hon. member for Deschatelets.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker—

Mr. Speaker: I apologize to the hon. member for trying to rename his riding. The hon. member for Maisonneuve-Rosemont.

(Translation):

Mr. Deschatelets: Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Could the minister tell us if during his stay in Paris, he discussed the present situation with defence authorities in the French government? If so, has he any comment for us?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in answer to the question asked by the hon. member for Maisonneuve-Rosemont, I must say that, during my stay in Paris, I had in fact the honour and privilege of meeting the minister of war of the French government, His Excellency Mr. Mesmer. We discussed matters of joint interest to France and Canada, as associate members of NATO. But the discussion was of a general nature, and I have nothing specific to tell hon. members with regard to that interview.

Inquiries of the Ministry

Mr. Deschatelets: A supplementary question, Mr. Speaker. Was the subject of the Bomarc brought up during those discussions?

Mr. Sevigny: No, Mr. Speaker.

(Text):

BOMARC MISSILE—INQUIRY AS TO SUCCESSFUL TESTS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Minister of National Defence, since the hon. member for Trinity (Mr. Hellyer) did not seem to be anxious to ask it. Can the minister confirm reports of successful tests of the Bomarc A yesterday?

Hon. G. R. Pearkes (Minister of National Defence): Yes, two highly successful tests were carried out with Bomarc A missiles in the United States.

POWER

NEWFOUNDLAND—USE OF RUSSIAN TECHNICIANS TO EXAMINE HAMILTON FALLS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. Would he care to comment on the announcement by Premier Smallwood that Soviet technicians may be called in to examine the power potential of Hamilton falls? Can the hon. gentleman say whether any consultation has taken place between the federal government and Premier Smallwood?

Mr. Speaker: Order. I should like to know under what category the hon. member asks that question and under what administrative responsibility he places the matter in asking the Acting Prime Minister to comment on the utterance of the premier of a province.

Mr. Argue: Perhaps I could ask my question in another way. Has there been any consultation between the government of Newfoundland and the federal government as to the possibility and desirability of bringing in Soviet technicians to inquire into the possibility of the development of Hamilton falls?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, I learned of this question myself for the first time this morning through the radio and press reports. The hon. member will realize that Premier Smallwood is reported as having made this speech at a luncheon yesterday and then having hurried to his office, banged the door and apparently taken the telephone receiver off the hook.

[Mr. Sevigny.]

Mr. Argue: Did the minister try to phone him?

Mr. Green: I do not know how I could get any information from him, but I do suggest to the hon. member that the most effective way to get this information would be to ask the hon. member for Bonavista-Twillingate (Mr. Pickersgill). I believe he has a walkie-talkie connection with the premier.

Mr. Speakman: He is a spiritualist.

Mr. Green: I think the communication system is used by him for listening, so probably the hon. member for Bonavista-Twillingate would have that information. That is the only practical suggestion I could make to the hon. member for Assiniboia as a way of getting an answer to this question.

Mr. Speaker: I hope the hon. member will not take seriously the suggestion of the Acting Prime Minister, because he would be out of order.

HOUSING

C.M.H.C.—REPORTED REVERSAL OF LENDING POLICY

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, in the absence of the Minister of Public Works I should like to direct a question to the Acting Prime Minister based on a news item in today's *Globe and Mail* under the headline:

Prime Lending Role Accepted by C.M.H.C. In Reversal of Policy.

The article reads in part:

R. G. Lillie, chairman of the Toronto branch of the government housing agency, yesterday confirmed the change in policy, under which C.M.H.C. is no longer prevented from acting as a prime lender.

In view of this apparent reversal of policy in the Toronto area I wonder whether the government is contemplating extending this privilege to other areas of Canada.

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, I will be glad to bring this question to the attention of the Minister of Public Works.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SAFETY PATROL REPRESENTATIVES

On the orders of the day:

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, I have a question for the Acting Prime Minister the answer to which I have provided him. Does he know that the Ontario motor league safety patrol jamboree is being held in Ottawa on May 13 and 14

and that 150 representatives of this patrol from Waterloo county and the Windsor and Hamilton districts are visitors in the gallery this morning?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, I am very grateful to the hon. member for Waterloo North for giving me the answer to this question. I am sure I speak for all members of the house when I welcome these young people to the galleries of the house and commend them for the very useful work they are doing.

PUBLIC SERVICE

POSTAL EMPLOYEES—INQUIRY AS TO SALARY INCREASE

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Finance. According to a report which appeared in yesterday's issue of the Ottawa *Citizen* the pay research bureau has completed a survey of salaries paid to postal employees and has made its recommendations to the treasury board. Can the minister inform the house whether a pay boost for postal employees is an immediate prospect?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, on March 31 I indicated that the salaries of all categories in the civil service were under study, and I mentioned specifically that those of personnel engaged in the postal service were under study. Whenever it is possible to make an announcement in this respect it will, of course, be made by the appropriate authority.

COMBINES INVESTIGATION ACT

ZINC OXIDE—STATEMENT AS TO RESTRAINING ORDERS

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, yesterday the hon. member for Skeena asked what action had been taken or was contemplated with respect to the recommendation of the restrictive trade practices commission for certain restraining orders against Zinc Oxide Company of Canada Limited and Hudson Bay Mining and Smelting Company Limited, arising from the report of the commission regarding the production and sale of zinc oxide.

I have since obtained a further report in this matter which confirms the answer I gave the hon. member yesterday, as indicated in the annual report of the director of investigation and research for the year ended March 31, 1959, at page 16 in particular:

> The evidence was referred to counsel for advice as to whether it warranted prosecution under the anti-combines legislation. Counsel advised that in his opinion the evidence, having regard to certain conflicts therein, would not support such prosecution. The parties were accordingly advised on July 31, 1959, that, following counsel's report and careful consideration of the question within the Department of Justice, it had been decided not to direct any court proceedings in the matter.

Mr. Frank Howard (Skeena): I should like to direct a supplementary question to the Minister of National Revenue arising out of the same report. May I inquire of the Minister of National Revenue what action has been taken or is contemplated with respect to the recommendation for the removal or reduction of tariffs on zinc? Perhaps the minister would like to take the question as notice.

Hon. George C. Nowlan (Minister of National Revenue): I will certainly take it as notice. As a matter of fact it is a matter dealing with tariffs, and I think it falls within the competence of my hon. friend the Minister of Finance rather than that of the Minister of National Revenue.

(Translation):

SHIPPING

QUEBEC—STATEMENT ON INQUIRY INTO ACCIDENT

On the orders of the day:

Hon. George H. Hees (Minister of Transport): The hon. member for Montmagny-L'Islet (Mr. Fortin) inquired yesterday about a ship that ran aground near Quebec. I am informed that Tuesday night the British tugboat *Melanie Fair,* a ship with a net tonnage of 64 tons, ran aground at Portneuf. The captain decided to sail up the St. Lawrence from Quebec without a pilot. He had a right to do so under the Canada Shipping Act, under which the acceptance of pilot services is optional.

In this particular case, the ship being of British registry, the captain will have to file a report with the customs office upon his arrival. Upon receipt of his report, it will be decided whether the matter should be further investigated.

CANADIAN BROADCASTING CORPORATION

APPEARANCE OF LIBERAL MEMBERS ON NEWS BROADCAST

On the orders of the day:

Mr. J. N. Tremblay (Roberval): Mr. Speaker. I should like to ask the Minister of National Revenue a few questions. First, is he aware that in the 11 o'clock T.V. news bulletin last night, on the French network, the C.B.C. featured reports of speeches made in the House of Commons yesterday, by three members of the Liberal party, and made no reference whatever to the speech of the Minister of Finance (Mr. Fleming)?

Second, is the minister prepared to accept the quite plausible explanations of technical nature that the C.B.C. is bound to give him in justification on its glaring partisanship?

Third, could the minister ask the corporation—

(Text):

Mr. Speaker: Order. I suggest that the hon. member let the first question stand to be answered. The second one is hypothetical now and can be raised again if it becomes relevant.

(Translation):

Mr. Tremblay: A supplementary question, Mr. Speaker. Could the minister ask the corporation—

(Text):

Mr. Speaker: Order. I suggest that the hon. member give the minister a chance to answer the first question.

Hon. George C. Nowlan (Minister of National Revenue): I will take the question as notice and give an answer in due course. I admit, of course, that the arguments of the Minister of Finance were, as usual, so weighty and authoritative that they do not need any further elaboration on my part.

(Translation):

Mr. Tremblay: I should like to ask a supplementary question of the minister. Could he add to the reply he has just given me an answer to the following question?

Could the minister ask the C.B.C. to inquire into the qualifications and impartiality of the people responsible for information broadcasts in the C.B.C., so that the corporation's senior officers may repeat on radio and television the statements they made before the parliamentary committee about the objectivity of the corporation?

(Text):

POLICY RESPECTING EMPLOYEES NOMINATED IN PROVINCIAL ELECTIONS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I would like to ask the Minister of National Revenue whether it is the policy of the Canadian Broadcasting Corporation to dismiss from its employment employees who accept nomination in a provincial election.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I have no knowledge of this matter whatsoever. The C.B.C. has its own policy with respect to employment, but I will make inquiry and advise on the matter.

Mr. Pickersgill: May I ask a supplementary question of the minister. Can the minister at the same time inquire into a specific case in the province of British Columbia which has been the cause of a good deal of comment there?

Mr. Nowlan: I will do that.

EXTERNAL AFFAIRS

USE OF CANADIAN AIR SPACE BY U.S. PLANES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. In view of the desirability of lessening world tension and in view of the reported intention of the United States government to continue having planes of the U-2 type fly over Soviet territory, using the territory of United States allies as bases, would the minister say whether the use of Canadian air space is denied to United States planes of the U-2 type at this time?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I explained to the house the other day that the only type of U-2 planes which fly over Canada are those engaged in meteorological and radiation activities, and that they are duly cleared each time, with a flight plan being filed; reporting as they carry out their mission; reporting as they come back, and reporting when they leave Canada. This, as I said, is the only type of U-2 plane that is using Canadian air space.

Mr. Argue: I wonder if I might ask a further question.

Mr. Green: I think, if the hon. member will recall, I also said they did not go beyond North American air space.

Mr. Argue: I wonder whether the minister would care to elucidate a reply to a question the other day, in which he said that no such planes have ever operated from Canadian bases. Can he assure the house that no such planes have ever operated from United States bases on Canadian soil or within Canada?

Mr. Green: In my statement the other day I not only dealt with the question of planes operating from Canadian bases, but also planes flying over Canada.

Mr. Argue: I do not believe the minister understood my question. Can he assure the house that no such planes operate from United States bases or bases within Canada leased to the United States?

Mr. Green: I explained that fully the other day, and that is actually the fact. The hon.

member is asking if they do not operate from United States bases on Canadian soil, and I say not the spy type of plane. Of course the planes doing meteorological and radiation work would fly from the United States. As I pointed out, this is not the type of plane that was over Russia. I explained that these planes have United States air force markings and they are operated by United States air force personnel. This was not the case with the plane that was over Russia.

Mr. Argue: Did they operate from United States bases within Canada?

Mr. Green: Any such business conducted by these planes is legitimate business, meteorological and radiation work.

CANADIAN NATIONAL RAILWAYS

LONDON, ONTARIO—TRANSFER OF CAR SHOPS TO MONTREAL

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to direct a question to the Minister of Transport concerning a question which I put to him last Friday, at which time he undertook to persuade the president of the Canadian National Railways to discuss with the mayor of London and members of the council of railroad workers the desirability of a conference to see whether a change could not be made in the decision taken by the railway to move the Canadian National car shops from London. I have had a telegram from London again, and I should like to have an answer from the minister.

Hon. George H. Hees (Minister of Transport): When I was replying to the hon. member a few days ago in connection with this matter I simply told him that I would pass along his remarks to the president of the Canadian National Railways, which I have done. I should like to let him know, and the house know, that long before the hon. member for Essex East took any interest whatever in this matter, the hon. member for London brought this question to my attention. He has spoken to me a great deal about it, and takes a great deal of interest in the welfare of his constituents. He has made me thoroughly familiar with the situation in London, just as all Conservative members take an interest in their constituencies and do not need the assistance of those from other constituencies.

Mr. Martin (Essex East): May I ask a supplementary question.

Mr. Hees: If I may go on to finish the answer to the first question, Mr. Speaker, I should like also to say that I was very interested to read in the Daily Report of the Canadian National Railways, dated May 11, that in a speech the hon. member made to the southwestern Ontario Liberal association in London a few days ago he had urged the Conservative government to exert its influence, without interfering in Canadian National operations—

Mr. Speaker: Order. The minister seems to have misconceived the question.

Mr. Martin (Essex East): May I ask a supplementary question of the minister. Will he seek to indicate to the president of the Canadian National Railways that there can be no excuse for not meeting and conferring with the chief magistrate of London and the workers concerned, to see whether this very important source of employment can be kept in London. Surely it is not asking too much of the minister—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member has made his point, and I hope he will not proceed to argue it.

Hon. Lionel Chevrier (Laurier): I rise on a point of order in connection with the answer the minister has given, because I am sure he did not want to convey the impression which he did give. I understood from his answer, as I have understood from the answer of several ministers in the house, that it seems not to be the business of members of parliament to interfere in the constituencies of other members. I think, sir, on a question of privilege as well as on a question of order, that it should be clearly understood that a member of parliament does have a right to ask questions concerning matters in another constituency, even though he happens not to be the member for that constituency.

I say this with deference, because it has happened repeatedly that ministers of the crown have risen to take objection, and I protest because I say we have a clear right to do what we are doing now.

Mr. Hees: May I speak to the point of order? I have never claimed that it is not the right of a member of parliament to bring up matters in other ridings. I was saying that in ridings represented by Conservatives that is not necessary.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Does the hon. member wish to speak to the point of order.

Mr. Martin (Essex East): No, I want to ask the minister to answer my question.

Mr. Speaker: May I deal with the point of order first.

Mr. D. M. Fisher (Port Arthur): May I speak to the point of order. The minister has, in my view, given what should not be given on orders of the day. He has made a point, in connection with the performance of duties by Conservative members of parliament, that seems to be impinging on the functions of other members who are not supporters of the government. If we could seize such opportunities to get up and make this kind of point that the minister has made, all of us could give examples of defeated Conservative candidates impinging upon the rights of ordinary members of parliament. It seems to me the minister was completely out of order in making these remarks.

Mr. Speaker: I confess that I had similar thoughts as the minister made his reply. I did not, perhaps, intervene early enough. The precise point of order was the question of a reflection on a member for taking an interest in a constituency other than his own. As I understood the minister there was no reflection on the hon. member for Essex East for concerning himself with this matter, but rather he was giving a word of approbation to certain other members for what they had done. It is quite clear that it would be improper to reflect on the hon. member for Essex East or any member in the house for taking an interest in any matter of public administration in Canada. I do not believe the reflection was intended or was made.

Mr. Martin (Essex East): May I ask the minister, now that he agrees that someone must be concerned about unemployment in London and elsewhere, whether he will answer my question, which I will repeat. Will the minister—

Mr. Speaker: I think it is unnecessary to repeat the question.

Mr. Green: There may have been one question asked by the hon. member for Assiniboia—

Mr. Speaker: Would the Acting Prime Minister defer for just one minute, until we conclude this matter?

Mr. Hees: May I complete my answer to the hon. member for Essex East. I forgot to add that the hon. members for Middlesex East and Middlesex West have drawn this matter to my attention and are very concerned about it. As a result of the concern these hon. members have shown in this matter the Canadian National Railways, on my suggestion, have made surveys of this very serious problem, have gone into it from every angle and done everything they possibly could to retain the operation in London. It is with great reluctance that they have found it impossible to do so. They have gone into this matter very thoroughly indeed, being very interested in employment for the people in London and in every other part of the country, as is this government. I am sure that Mr. Gordon was as amused and interested as I have been to see members of the former government shedding crocodile tears when during their term of office they never did anything about the matter.

Mr. Speaker: Order. The minister is quite out of order in volunteering a statement of that kind in response to a question on the orders of the day. The Acting Prime Minister has been—

Mr. Martin (Essex East): This matter is not concluded, Mr. Speaker. I have asked the minister a simple question and if he does not wish to answer he does not need to do so. That question is this. Is the Minister of Transport prepared to tell the president of the Canadian National Railways that he should at least discuss this matter with the mayor of London and the workers concerned?

Mr. Hees: If I may answer the question—

Mr. Speaker: Yes, but may I say that the question put by the hon. member for Essex East (Mr. Martin) appears to be not so much a question as an urging or an argument—

Mr. Hees: An order.

Mr. Speaker: —for a course of action.

Mr. Hees: If I might answer that question, may I say that I was referring to something which the hon. member is reported to have said in London; that he believes the Conservative government should use its influence without interference in the normal C.N.R. operations. Demanding that the president of the C.N.R. do something is interfering with the normal C.N.R. operations.

Mr. Martin (Essex East): You do not intend to do anything.

Mr. G. J. McIlraith (Ottawa West): I am rising on a point of order, Mr. Speaker. A question has been asked and the answer given has transgressed the rule on many points. It contains political references. It contains argument on the relevant merits of various members of parliament, about various parties and a great many other things that are purely argumentive. Surely if this period is to be useful we are entitled to have from the minister something more precise by way of observance of the rules in giving answers to questions. Since the points of order should

be raised as the difficulties arise, I was going to ask whether this whole matter of answers could not be looked at.

Mr. Henderson: Never mind the speech. Go ahead and ask the question.

Mr. Speaker: Order. I am sorry I missed the interruption.

An hon. Member: It was a good one.

Mr. Speaker: However, I cannot condone its having been made during the explanation of the hon. member's point of order.

Mr. McIlraith: I was going to ask that the whole matter of answers be looked at from the point of view of transgression of the rules and that a ruling be made at a later date, probably at the beginning of the week.

Mr. Speaker: I think there is no need to reserve anything. The hon. member for Ottawa West (Mr. McIlraith) has raised a question that from time to time gives concern. Hon. members will have to keep within the limits of the rules in their questions, particularly in their oral questions, if we are to make any use of this period without improperly holding up the business on the order paper. Rule 39, may I remind the house, contains quite definite language. It is not a question of practice; it is a question of a specific rule. Rule 39 states in part as follows:

> —but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same; and in answering such question the matter to which the same refers shall not be debated.

I must rely on the co-operation of both sides of the house to keep within these limits.

The Acting Prime Minister (Mr. Green) has been trying to get the floor.

UNITED NATIONS

SUGGESTED ESTABLISHMENT OF FUND FOR AFRICAN DEVELOPMENT

On the orders of the day:

Hon. Howard C. Green (Acting Prime Minister): On Wednesday, Mr. Speaker, the hon. member for Assiniboia (Mr. Argue) asked whether there had been any discussion between Canada and the secretary general of the United Nations on the establishment of a fund for African development.

No discussions of the kind referred to have taken place recently. The Canadian permanent representative at the United Nations had some discussion with the secretary general earlier this year about assistance to Africa, and since that time we have been following closely the secretary general's statements and the development of his ideas on this subject, in particular a report which the secretary general presented to the economic and social council of the United Nations at the end of March. In his report to the economic and social council the secretary general did not propose a special United Nations fund for Africa. He stated that the question required further study, and that he proposed to report more fully to the economic and social council at its next session in June of this year.

The government will, of course, continue to follow with great interest the elaboration of Mr. Hammarskjold's proposals as to the United Nations' role in assistance to Africa through the Canadian representative at the United Nations.

Mr. Hazen Argue (Assiniboia): I should like to ask a supplementary question. Possibly the Acting Prime Minister could say whether Canada has made any particular offer to the United Nations' secretary general as far as assistance in this fund is concerned.

Mr. Green: Any assistance would have to be approved by the United Nations, either by the general assembly or one of the subsidiary organizations. No proposal has yet reached the stage where an indication could be given as to whether or not Canada would approve.

NORTHERN AFFAIRS

SUGGESTED ESTABLISHMENT OF TOURIST BUREAU IN WESTERN EUROPE

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Northern Affairs and National Resources. Can the minister say what consideration is being given to establishing a tourist information bureau in western Europe in an effort to take advantage of the rapidly increasing flow of tourists from Europe resulting from their resurging economy?

Mr. Speaker: Did the hon. member give notice of this question?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I am prepared to answer it, Mr. Speaker. Since the change in the regulations in the United Kingdom with regard to restrictions on the movement of currency to Canada, the federal government through its travel bureau and our Department of Northern Affairs and National Resources has been in consultation with the high commissioner of the United Kingdom about plans for that particular

area. A representative of the travel bureau is going to Europe this summer to meet with the high commissioner in the United Kingdom. He will also visit certain other capitals and countries of Europe in order to lay our plans for moving into this particularly interesting market for tourists.

TRANSPORT

KETTLE VALLEY RAILWAY—REQUEST FOR IMPROVEMENT IN SERVICE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Transport. My question is of concern to three constituencies in southeastern British Columbia. Has the minister received representations in person from representatives of railroad employees urging him to do what he can to secure the restoration of normal passenger service on the Kettle Valley railroad?

Hon. George H. Hees (Minister of Transport): No, I do not remember having received any personal representations, Mr. Speaker.

[*Later:*]

Mr. Hees: If I may, I should like to give a supplementary answer to the hon. member for Kootenay West. I thought he was referring to a delegation that had come to see me. I do not remember any delegation but I think there may have been letters written to me. I will check my files and report on Monday.

Hon. Lionel Chevrier (Laurier): The Kettle Valley railway is an important railway.

GREAT SLAVE LAKE—COMMISSION REPORT ON PROPOSED RAILWAY

On the orders of the day:

Mr. E. J. Broome (Vancouver South): I have a question for the Minister of Northern Affairs and National Resources. Can the minister advise the house as to when he expects to receive the report of the Manning commission on the Pine Point railway? Also can he advise as to the reason for the long delay in completing this report?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I believe this question really goes to the Prime Minister. All I can say at this time is that I do not believe the report has been submitted. I have no particular information as to the reason for the long delay.

[Mr. Hamilton (Qu'Appelle).]

INDUSTRY

URANIUM—NEGOTIATIONS FOR CONTRACTS BY ELDORADO COMPANY

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, one which is of great interest to the people of Saskatchewan.

In view of the difficult uranium situation, would the minister care to explain why Eldorado Mining and Refining Limited did not submit a bid on the unexpired portion of the Stanleigh Uranium Mining Corporation contract? Would the minister assure the house that Eldorado will not be confined to a definite area but will be allowed to negotiate for unexpired contracts in any part of Canada?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the answer to the first question is that the decision was made by the board of directors of Eldorado Mining and Refining Limited. In answer to the second question, no restriction has been placed on the board with regard to negotiating for unexpired contracts.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT

ALTERNATIVE ARRANGEMENTS FOR UNIVERSITY GRANTS—EXTENSION OF INDIVIDUAL INCOME TAX RATE

The house resumed, from Thursday, May 12, consideration of the motion of Mr. Fleming (Eglinton) for third reading of Bill No. C-56, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

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

The house divided on the motion (Mr. Fleming, Eglinton) which was agreed to on the following division:

YEAS

Messrs:

Aiken	Boulanger
Aitken, Miss	Bourbonnais
Anderson	Bourdages
Argue	Bourget
Asselin	Bourque
Badanai	Brooks
Balcer	Broome
Baldwin	Browne (St.John's West)
Barrington	Browne (Vancouver-Kingsway)
Batten	Bruchesi
Bell (Carleton)	Brunsden
Bell (Saint John-Albert)	Campbell (Lambton-Kent)
Belzile	Campbell (Stormont)
Benidickson	Cardiff
Bigg	Caron
Bissonnette	
Boivin	

Carter
Casselman, Mrs.
Chambers
Charlton
Chevrier
Chown
Churchill
Clancy
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschatelets
Dinsdale
Dorion
Doucett
Drysdale
Dubois
Dumas
Dupuis
English
Eudes
Fairfield
Fane
Fisher
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Forbes
Forgie
Fortin
Frechette
Fulton
Garland
Grafftey
Granger
Green
Grills
Gundlock
Habel
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hanbidge
Harkness
Hees
Hellyer
Henderson
Herridge
Hicks
Hodgson
Horner (Acadia)
Howard
Johnson
Jones
Kennedy
Kindt
Knowles
Lafreniere
Lahaye
Lambert
Leduc
Legere
Lennard
Lessard
Letourneau
Loiselle
Macdonald (Kings)
Macdonnell
MacEwan
MacLean (Queens)
MacLellan
Macnaughton
Macquarrie
MacRae
McBain
McFarlane
McGee
McIlraith
McIntosh
McLennan
McMillan
McPhillips
McQuillan
Mandziuk
Martin (Essex East)
Martineau
Martini
Matthews
Meunier
Milligan
Mitchell
Montgomery
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Nowlan
O'Hurley
Pallett
Parizeau
Pascoe
Paul
Payne
Pearkes
Peters
Phillips
Pickersgill
Pigeon
Pugh
Rapp
Ratelle
Regier
Regnier
Richard (Kamouraska)
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robichaud
Robinson
Rogers
Rompre
Rouleau
Rowe
Sevigny
Simpson
Skoreyko
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Starr
Stefanson
Stewart
Tassé
Taylor
Thomas
Thompson
Tremblay
Villeneuve
Webb
Webster
Weichel
Wratten—178.

NAYS

Messrs:

NIL

Motion agreed to and bill read the third time and passed.

HOUSE OF COMMONS

BIRTHDAY CONGRATULATIONS TO HON. MEMBER FOR DUFFERIN-SIMCOE

Mr. Speaker: Before I leave the chair and the house goes into committee, with your indulgence I should like to declare what I am sure is another unanimous view of the house, when I offer on behalf of all those here our hearty congratulations to the hon. member who has been here for the second longest period, the hon. member for Dufferin-Simcoe (Mr. Rowe) whose birthday it is.

Some hon. Members: Hear, hear.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, this is a very unexpected privilege you have extended to me in giving me an opportunity to express my keen appreciation of the friendships I have had in this house for many years. As Your Honour has said, I am the member who has been here for the second longest time. I have attended all the sessions of the House of Commons since 1925. During that time I believe I have met all those who have been elected to the House of Commons since. Many of our dear friends on both sides of the house have since deceased. I must say that what I have enjoyed the most has been the opportunity of making many friendships in all quarters of the house, having sat here for more sessions than anyone else; which is a rather sad story to relate on one's birthday.

This morning when I got on the plane in Toronto one gentleman seemed to be a little timid about the flight. He said, "I do not like the idea of flying this morning. The weather is unsettled, we go through gate No. 13, and it is Friday, May 13." I said, "Yes, but if it is of any interest to you, it is my birthday." The gentleman looked at me closely, and I think he was more frightened than ever.

I am very happy to have had this long association with the House of Commons, which is the greatest institution in Canada. I have made some very close friends on all sides of the house. I wish to express my sincere appreciation of the congratulations extended to me today by you, Mr. Speaker, and my associates who have taken the time of the house to congratulate me in this unique and almost unprecedented fashion. I thank you very much and wish for all of you, whether or not I agree with you politically, Godspeed, good health and continued strong convictions in the political affairs in the country.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Research branch—

5. Branch administration including an amount of $166,610 for grants in aid of agricultural research in universities and other scientific organizations in Canada, $1,856,156.

(Translation):

Mr. Boulanger: Mr. Chairman, I should like to say a few words on this item and especially about research.

In the past, research activities have centered mostly on technical aspects of agriculture: land productivity, research on insecticides, fertilizers, etc. In my opinion, we have not attached sufficient importance to economic research. I do not mean that there should be less research on land productivity but I think greater attention could be given to economic research. I refer particularly to research on marketing both in Canada and abroad.

Just after the war, European countries organized their production and increased it substantially, and to such an extent that today we already have a hard time exporting our wheat. In a few years, with production methods improving from day to day in various countries we shall have even more difficulty in selling our wheat.

About a year ago, in a paper put out by Macdonald College in Montreal I read recommendations on what Canada should do to improve our marketing system. Unfortunately I do not have this paper here but I have a few notes that I would like to summarize for the information of the committee and especially for that of the Minister of Agriculture (Mr. Harkness).

According to that paper, the present situation calls for a long term program which Macdonald College has divided into two points:

First, we should survey the situation to find out what can be done on the domestic market.

Second, we should seek new and constructive ideas with regard to the world wheat market.

Canada it was said, should institute a research fund of about half a million dollars, to finance an intensive research plan over the next six or twelve months. Work under the plan would be divided between four or five teams. One team would be made up of professors and experts from universities in the prairie provinces; a second team would include teachers from the universities of eastern Canada, a third would include individual researchers, while a fourth would consist of scientists selected by the government to be assigned to the various agencies or departments, such as the Department of Agriculture, the Canadian wheat board, the Departments of Trade and Commerce, External Affairs, Finance, etc. Finally, if deemed appropriate, our research effort might be pushed further with a fifth Canada-United States committee, made up of scientists and experts of both countries.

Canada has practically no scientists doing research in this field at the present time. The problem is quite difficult, and there is no assurance that such an investigation made by research teams would yield substantial results in the immediate future. However, it would be a start, and the government as well as the public would at least be made aware of the importance of the problem, a development that might bring forth new ideas.

This task should be undertaken as a means of finding an answer to the problems we will be facing within a few years, and particularly in the years just ahead. If the results were satisfactory, we could extend our research plan as far ahead as 1970 or 1975, and then, with such a long range program, we would know where we are going.

Those are a few thoughts I submit to the attention of the Minister of Agriculture, and I would ask him whether there is, within his department, a section which does research work in the sense I have just referred to.

(Text):

Mr. Harkness: Mr. Chairman, the item we are dealing with under the research branch has to do primarily with research into the natural sciences, research into soils, insect diseases and everything along that line. Economic research, about which the hon. member has been talking, is carried on by the economics branch and was dealt with in the previous item.

As was indicated last Friday when we dealt with item 4, the number of personnel in the economics branch of the department has been increased by 10, from 136 to 146. This is an indication that we are strongly cognizant of the fact that more economic research needs to be carried on. We have been increasing the manpower and other resources of the economics branch so that an expanded program of economic research can be carried forward, and we have been doing an increasing amount of research as far as marketing is

concerned and so on. This is work on which we intend to continue to put a great deal of emphasis.

Mr. Martin (Essex East): Following the very constructive suggestion and observations made by the hon. member for Drummond-Arthabaska, and noting what the minister has just said, can he say anything about what progress has been made in the determination of the cost of production so far as farmers are concerned? The minister will recall that the interprovincial farm union in particular, in a brief submitted by that organization to the government about a year and a half ago, I think, urged that steps be taken by the administration to determine precisely what is the cost of production of agriculture.

We talk a lot about the difference between what the farmer has to pay for the things he has to buy, including the necessities of life, and the return from the sale of his produce. Has any progress been made in trying to assess the cost of farm production in Canada, generally and specifically?

Mr. Harkness: A considerable number of studies, particularly by various provincial bodies in different parts of Canada, have been carried on with respect to specific commodities. These studies have demonstrated the extreme difficulty of getting what might be called really accurate figures as far as the cost of production is concerned. I mentioned last year, and I believe I mentioned again this year on one occasion, that a cost of production study had been carried out with respect to hogs. The survey showed that in one area of Quebec, for example, the cost of production was considerably less than in Alberta, although everybody is aware of the fact that the biggest item in the cost of production of hogs is feed and the cost of feed is less in Alberta than it is in Quebec. This happens to be one outstanding example of the fact that these cost of production studies frequently produce results which very few people are willing to accept.

I think this arises from the fact that the various people carrying on these activities use somewhat different criteria in determining what costs should or should not be included, and there is also the fact that from one farm to another operations vary greatly.

I have received, for example, all kinds of letters from farmers in western Canada saying that the cost of production for their pigs would come to $25 or $30 per hundred pounds. On the other hand I noticed when I was in Winnipeg some two months ago that a man who had won one of the chief prizes for swine at the Brandon winter fair had produced a fairly detailed breakdown of his cost of production, which showed that his cost per hog, not per hundred pounds, was around $21. This would mean around $15 per hundred pounds. This is just one example of the extreme variation between farmers and between areas as to what they calculate their cost of production to be, and perhaps what they actually are, because of the differences in efficiency and so on.

Mr. Boulanger: I wonder if I heard what the minister said correctly. Did he say that the price index for a number of services used by farmers is higher in western Canada than in Quebec?

Mr. Harkness: No. What I said, Mr. Chairman, was that one of these cost of production studies concerning hogs showed that the cost of production was less in Quebec than in Alberta. I think everybody realizes that just could not be so, because the cost of feed is much lower in Alberta than it is in Quebec, and that is the big item in raising hogs.

Mr. Bourget: Could the minister give us a list of the universities or other scientific organizations in Canada that are receiving grants from this branch?

Mr. Harkness: We make grants to a large number of universities. Does the hon. member want the whole list, which comprises some three of these long pages, or is he interested in a particular university which gets one of these grants?

Mr. Bourget: In order to avoid delaying the work of the committee, I wonder if the minister could put the list on *Hansard*. In this way we would have the list without the minister having to take the time to read all the names. I would appreciate it very much if the minister, with unanimous consent, could put the list on *Hansard*.

Mr. Harkness: I would be glad to do that with the consent of the committee, Mr. Chairman.

The Chairman: Is the committee agreeable to the minister putting this list on *Hansard* at this point in our procedings?

Some hon. Members: Agreed.

[*Editor's note: The list referred to is as follows:*]

Project No.	Institution	Project title
13	U. of Saskatchewan, Saskatoon	The physiology of host-parasite relationships among the rusts. Prof. M. Shaw
14	U. of Manitoba, Winnipeg	Physiological studies of host-parasite relationships in rust fungi involving effects of chemicals that may modify rust reaction. Profs. E. R. Waygood and P. K. Isaac
15	U. of Alberta, Edmonton	The building of rust resistant wheat species combining species crossing and nonosomic techniques. Prof. J. Unrau
54	U. of Ottawa, Ottawa	Tick paralysis—physiological and pharmacological study. Prof. M. F. Murnaghan
56	U. of Alberta, Edmonton	Investigations of mutagenic effects of agricultural chemicals on plants. Prof. J. Unrau
59	Macdonald College, P.Q.	Physiological effects of stock-scion relationships in Malus spp. Dr. C. D. Taper
65	U. of Toronto, Toronto	Growth and morphogenesis in the Canadian forest species. Prof. D. Forward
69	U. of Saskatchewan, Saskatoon	Fluctuations in the composition of Saskatchewan grassland vegetation in relation to meteorological conditions. Prof. R. T. Coupland
70	U. of Saskatchewan, Saskatoon	Life history studies of persistent perennial weeds. Prof. R. T. Coupland
80	U. of Saskatchewan, Saskatoon	Studies on the physiological control of seed dormancy in wild oats (*avena fatua* L.)
83	U. of Manitoba, Winnipeg	Experimental analysis of the chemotactic factors that affect the host plant relationships of grasshoppers. Prof. A. J. Thorsteinson
87	British Columbia research council, Vancouver	The physical basis of insect repellency. Dr. R. H. Wright
93	Ontario Agricultural College, Guelph	Studies on lactobacilli from cheddar cheese. Prof. D. M. Irvine
94	U. of Saskatchewan, Saskatoon	The relationship of soil moisture stress to the growth characteristics and protein content of wheat. Prof. W. L. Hutcheon
95	Queen's University, Kingston	The synthesis of phosphoglyceric, succinic, aspartic acids and other substances relating to quality in tobacco. Prof. G. Krotkov
96	U. of British Columbia, Vancouver	Phosphate fixation in calcareous soils. Prof. J. S. Clark
97	Queen's University, Kingston	The use of serological techniques in determining the role of invertebrate predators (especially spiders) in the population dynamics of the spruce budworm. Prof. A. S. West
98	U. of British Columbia	Ecological classification of pine forests in the interior region of B. C. Prof. V. J. Krajina
99	Macdonald College, P.Q.	The use of in vitro rumen fermentation technique in evaluating feeding value of forages. Prof. E. W. Crampton
100	Macdonald College, P.Q.	A study of nutritional factors affecting reproduction in mink, with special reference to maximum use of fish and whale products. Prof. E. W. Crampton

[The Chairman.]

Project No.	Institution	Project Title
101	U. of Toronto, Toronto	Cytotaxonomic studies on *simulium venustum* and related biting flies. Dr. K. H. Rothfels
102	Ontario Agricultural College, Guelph	Contract farming in Ontario. Prof. W. D. Hopper
104	Ontario Agricultural College, Guelph	Cost of producing grain corn. Prof. Wright
106	Queen's University, Kingston	The metabolism of photosynthetic products in roots of tree seedlings under different light conditions. Prof. G. Krotkov
107	U. of British Columbia, Vancouver	Studies on anion uptake as affected by soil moisture levels. Dr. J. E. Beaton
108	Macdonald College, Quebec	Investigations of the sulphur status of soils in southeastern Canada. Prof. W. A. DeLong
109	U. of British Columbia, Vancouver	Screening irrigation of water supplies—biological and physical aspects. Prof. T. L. Coulthart
	NEW PROJECTS	
110	U. of Alberta, Edmonton	The effect of crystallization of butterfat on the hardness of butter. Prof. F. W. Wood
111	U. of British Columbia, Vancouver	A study of the enzymes in milk responsible for the reduction of resazurin. Prof. J. J. R. Campbell

Mr. Herridge: I am very interested in this question of agricultural research. I made my remarks on the first item and I do not intend to repeat them, but I should like the minister to inform the house to what extent all the research conducted under this item is correlated with the results of the research undertaken by the experimental farms, illustration stations, universities and those making studies under the economics division. That is my first question, and I ask it in order to get a total picture of the results of the research.

My second question is, what co-operation has been established with the Farm Credit Corporation? I think there should be very close co-operation, so the corporation would have a sound knowledge of the productive capacity of any area or for any particular crop. So far as the experimental stations are concerned, we all recognize the good work that has been undertaken by the stations generally. I know that in the British Columbia interior we appreciate the work that has been undertaken by the station at Summerland and the diffusion of the results of their research. However, that station is situated in the Okanagan, and we have a variety of climates in southeastern British Columbia. Quite frequently you will find a change of climate within a few miles which will have a bearing on the growing of certain fruits, whether they are tree fruits or small fruits.

I want to suggest, Mr. Chairman, that the department could use the personnel of experimental stations to good advantage in getting a very complete knowledge of the suitability of each area within the area sowed by an experimental station for the growing of certain crops, the production of cattle or any of the various agricultural activities. I mention this because of my experience throughout the years, first of all with the Canadian farm loan board. We now have the Canadian Farm Credit Corporation, but we cannot expect too much of it at present because it is just getting organized. I have met representatives of the Canadian farm loan board who were completely lacking in information concerning the suitability of certain areas, certain lands, for the growing of crops.

I mention that particularly because in our district, as I have said before, we have so many diverse circumstances. I know of one small valley, about seven miles long, which is suitable for stock raising. There is a very nutritious mountain grass growing in that valley. I know of a successful farmer who had a considerable acreage in that valley and who applied for a loan, but was rejected

without any official coming to the area to examine local conditions. I do not think that is good enough. I suggest there could be much more co-operation between those undertaking studies of this nature under this research branch and those who are responsible for lending money to farmers.

Finally, as I said, there is such a diversity of conditions that, for instance, in the Arrow lakes area you can grow Delicious apples, yet 20 miles to the north the heat is such that you cannot grow Delicious apples. I wish to suggest, therefore, that there should be an extension of the experimental stations. I am not suggesting anything extensive. I think the department could use more of the farms in the area to demonstrate their suitability for growing certain tree fruits, small fruits, and so on. For instance, in the Renata area peaches are grown to excellent advantage; but 30 miles to the north, under what would appear to the casual observer to be identical conditions, one would be ill-advised to go into the production of peaches.

I should like the minister's comments in this connection, because I think our staff could be used to good advantage in making studies of these regional and local conditions.

Mr. Harkness: Mr. Chairman, in so far as what you might call a general survey of the activities of the research branch is concerned, or the magnitude of this work, I think the amount of the vote, which for this year is a little more than $30 million out of a total for the whole department of $106 million, indicates the importance we attach to research. The fact that we are allocating to research something in the neighbourhood of 30 per cent of the total funds available to this department is a good indication of the importance we attach to it. The research branch, of course, carries on an extremely wide variety of research into such things as forest biology problems, all sorts of insect pests, all kinds of plant breeding, plant diseases and so on.

I do not believe I should take more of the time of the committee at this moment to go into the hundreds of different types of research projects which are carried on by the research branch. I am sure the hon. member has a very good idea of the vast amount of detailed scientific work which is done by this branch in an endeavour to produce better varieties of plants and animals, to guard against diseases which attack them, to evolve means of eradicating these pests or keep them under control.

As far as a tie-in with economic research is concerned, there is of course a great tie-in in that regard. The economists in the research branch collaborate closely with the people on the experimental farms and so forth, particularly with regard to studies as to the suitability of a particular area for a certain type of production. An area might be quite suitable from the purely physical point of view, but in reference to the distance from markets and so forth it might not be a practical operation to produce a certain type of product in that area. As I say, there is very close co-operation between the economics people on the experimental farms on the one hand and the research branch people on the other hand with regard to matters of that kind.

As to greater study of soils and climates in particular areas, may I say that up to the present time there have been soil surveys for most of the settled areas of Canada. There has been a classification of those soils with regard to what you might call geologic type, and also from the point of view of what they are capable of producing. This consideration, of course, is tied in with the climatic conditions in the particular areas. As the hon. member knows—and he made some mention of the fact—we have a large number of illustration stations and illustration farms where particular experiments are carried on in order to see whether a particular type of plant is suited to growth in that area. That sort of thing is taking place constantly on a very widespread scale.

As to loans and a tie-in between the Farm Credit Corporation and the research branch, may I say that there has been throughout, under the Veterans' Land Act, quite a close tie-in between the regional supervisors and credit advisers under the Veterans Land Act, who now are also acting as regional supervisors and credit advisers for the Farm Credit Corporation, and the local agronomists in Quebec and district agriculturists in other parts of Canada, and also with the dominion Department of Agriculture.

Mr. Herridge: I think that is a big improvement in administration.

Mr. Baldwin: I should like to make a few comments on what I think is one of the most important of the many-pronged attacks which will have to be launched in connection with the problems of agriculture. I refer to the question of research into rural development or rural redevelopment. Some time ago I observed that the United States department of agriculture were concerned, and had been since 1956, with this important phase of agricultural research, and I wrote for and obtained some of their pamphlets. By the way, if any hon. member should be particularly interested, may I say that I have a number of these pamphlets here. I am thinking particularly of

the hon. member for Essex East, who made his contribution in the debate a little while ago. I should be glad to arrange a seminar with him if he is interested in these pamphlets.

We in the Peace river country have a particular interest in this matter. We have been largely and primarily an agricultural district which is now in the process of transition to one with secondary industries. Just recently we held in the city of Grande Prairie a northwest resources conference which dealt in large measure with agriculture and the bringing into an agricultural area of secondary industries. We had present some well-known figures, including Mr. J. E. Brownlee, whom I regard as one of our leading statesmen of agriculture, and Dean Bentley of the faculty of agriculture of the University of Alberta.

This particular aspect of research, as indicated in correspondence and in the pamphlets from the United States department of agriculture, has a great future as far as we in Canada are concerned. I was most gratified to observe that our Department of Agriculture, under the guidance of the present minister, had commenced research into this problem, and the United States people mentioned the communications and the contacts they had with the minister and his department.

I am going to refer just briefly to one pamphlet which I received from the United States department with regard to what they consider to be the beneficial effects of this program of rural redevelopment. I am now referring to a pamphlet entitled "Committee for Rural Development Program" under date of January 21, 1960, issued in Washington. It is an answer to the question "What happens when industry moves to the country?" and it gives the effect of the analysis and studies which have been made of this program as it affects a number of states in the United States. The pamphlet reads in part as follows:

> States included are Louisiana, Mississippi, Iowa, Utah, and Ohio. In these five states, studies in selected rural areas with new industrial plants have turned up some significant findings... For example:
>
> Rural people who obtain jobs in the new factories moving into their area are much younger than average residents of employable age. The average factory worker in the areas under study is about 30 years old. This compares with an average of 50 years for heads of farm families in the same area.
>
> Industry also increases the income of many rural people,... The living standard of those who find jobs in the new plants has gone up at a faster rate than that of other rural residents. Incomes of plant workers equal, and in many cases exceed, incomes of average families in the same community.
>
> Plant workers were found to be among the leaders in rural community organizations and groups... Rural residents who find jobs in local industry continue to take an active part in community and religious affairs, the studies indicate.
>
> About one in four plant workers in areas studied operate farms.
>
> Their farms are usually smaller than the average in the community.
>
> Farmers usually reduce their operations after taking an industry job. Farmers working in plants studied had reduced the number of days they farmed as much as 50 per cent,...

Just to sum up, may I say that I think here is an excellent example of a blending together of all that is best in the agricultural way of life with those benefits which come from mingling with some other form of industrial activity. I am glad to see the interest which our department is taking in the matter. I feel that if this research is pressed it will result in at least some alleviation of the situation which affects agriculture today; a situation in which, in some cases unfortunately, efficient farmers, through no fault of their own, may well be compelled to give up their holdings and move into larger urban centres in order to take industrial employment for which they have no particular training, with a consequent increase in the seasonal type of unemployment. I think the incentive of this program is one very much to be desired, and it is one which I commend to the minister.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Harkness: Mr. Chairman, immediately before the luncheon recess the hon. member for Peace River had been speaking of the rural redevelopment program in the United States. I am extremely glad to hear of his interest in this subject. It is one which I hope will be shared to a constantly increasing extent by all hon. members of the house.

I do not think we can over-emphasize the importance of the introduction of a rural redevelopment scheme in Canada. We have been working on this now for the last year and a half to two years and we hope to be in a position sometime before the end of this year to be able to make some definite proposals as far as instituting a rural development scheme in Canada which would be adapted to Canadian conditions. Hon. members are probably aware that a group of economists and agriculturists from the department made quite an extensive trip down to the United States to observe their rural redevelopment program and to study it during last year and, as I say, we are now actively working on a program of our own.

Mr. Forgie: Mr. Chairman, the minister has heard me on this before, but I do take an interest in farm products because I did take a great interest in the soybean business. We had a plant in Toronto which developed into a $2.5 million plant, and I am wondering whether any research work is being done along these lines, particularly in the two western provinces of Manitoba and Saskatchewan.

It has always been my belief, rightly or wrongly, that if this soybean, which is a legume, could be developed successfully in the province of Manitoba it would forestall a great amount of wheat growing and probably allow the farmers a better livelihood than they have at present. The development in Ontario has been spectacular. They started in 1934 with two or three thousand acres and at the present time I think the figures show 176,000 acres in southwestern Ontario, in seven, eight, or nine counties in the district.

As a matter of interest, I would like to say that in 1955 we exported from Canada 945,000 bushels to the United Kingdom; in 1956, 1,119,000 bushels; and in 1957, 1,508,000 bushels. We exported to Germany in 1954 27,600 odd bushels; in 1955, 7,000 bushels; in 1956, 56,000 bushels; and in 1957, 44,800 bushels. Of course, that is not a large export, but at the same time if this crop can be successfully developed in the western provinces then we will have a further opportunity of exporting soybeans to the continent of Europe where they are in great demand in such countries as Denmark and other countries where they are used for feed purposes. If that could be done we would considerably enhance our foreign trade.

Mr. Chairman, if I can give one illustration to show how important research work is on this question. In 1935 a friend and I who had the first soybean plant gave the farmers of Pelee island 400 bushels of soybeans as a present. For at least the last 20 years Pelee island has been shipping through the Toronto elevators a crop worth $350,000 each year. So one can see it is a matter to be taken seriously and I am wondering whether the dominion government uses any of its research money on soybeans or whether it is left solely to the provinces.

Mr. Harkness: Mr. Chairman, as the hon. member for Renfrew North has said, I have been aware of his interest in soybeans and the development of a soybean industry and of the steps he has taken himself to promote that industry in Canada. We have through our research activities done a great deal with soybeans. As a matter of fact, the variety Harosoy, which is perhaps now the one most widely used of any variety grown in Canada, was developed at Harrow at our experimental station there. Experimentation is continuing with the purpose in mind of producing soybean varieties which are better adapted to other areas; varieties with a shorter growing season which would be hardier, and so on. By this means we hope to be able very considerably to extend the area in which soybeans can be grown successfully in Canada.

Mr. Forgie: Just one other observation before I sit down. I thank the minister for that explanation. As he knows, about 1935 or 1936 we started to grow a few acres in conjunction with Dr. McCloskey in Winnipeg. I have forgotten whether it was at the University of Manitoba or the agricultural section, but anyway there are now about 15,000 acres of soybeans growing at Morden, Manitoba, as I understand it, and the great difficulty is that of the development of a bean—is this right? —which would ripen before the early frost and, second, a bean which would have sufficient oil content. They are the two problems, are they not, in connection with the work going on?

Mr. Harkness: I would just say in that regard that work on soybeans has increased quite considerably recently at our station at Morden, Manitoba, particularly having in mind producing a type of soybean which would give a better oil yield and have a shorter growing season. We hope to develop strains which will prove more hardy and need a shorter growing season. This would enable the planting area to be extended through the Red river valley.

Mr. Forbes: I was interested in this item because it is one which relates to farm production costs. I should like to refer to the statement made by Mr. J. P. Hudson who conducted a farm management study for the University of Manitoba. Mr. Hudson told the annual meeting of the agricultural bureau of the Winnipeg chamber of commerce that operating costs for an average size farm had gone up to $15,238 annually from $4,800 about 15 years ago. Of every $1.13 an average Manitoba farmer receives, he needs $1 to cover expenses, and only earns 13 cents.

I was wondering whether the federal Department of Agriculture makes any contribution toward research of this type. If we examine Mr. Hudson's report a little further we find that the price of farm machinery is one of the largest items of expense. I would suggest that representatives of farm implement manufacturers should appear before the committee on agriculture with a view to determinating why machinery prices have increased by approximately 100

per cent during the last ten years. Does the department carry out research into the cost of production of farm machinery and its relationship to farm costs?

Mr. Harkness: We have been carrying out some studies along those lines, but this question really comes under the economics branch rather than the research branch which, as I have said, carries out scientific research more from the point of view of the natural scientists. We have also been co-operating with people in the universities and elsewhere, in various provinces, who are engaged in studies along the lines which the hon. member suggested. As far as the particular matter of farm machinery costs goes, it really amounts to this: the increase in the cost of farm machinery is due to the same factors which have brought about an increase in the prices of practically all manufactured goods, namely the generally increased cost of labour, materials and so on.

Mr. Hicks: I do not want to delay the passing of these estimates, but I believe I would be remiss if I did not say a word about the great research branch of our Department of Agriculture. Having been on the experimental farm at Agassiz for 37 years and, two years prior to that, at Lacombe, Alberta, and also at Brandon, Manitoba, I feel I know something about the past and present of this fine institution which I have no hesitation in saying is one of the greatest of its kind in the whole world. These great dominion experimental farms and research services are amalgamated now, but at first all the research work was done on the experimental farms. Not too long ago the research service and the experimental farm service were separated. Now they have been amalgamated again, and it seems to me that that is all to the good, because all those who are qualified and interested in certain aspects of the work are able to work together as a team in their efforts to solve the problems which arise.

This particular item concerns assistance for research work. I do not think it covers universities. Perhaps all hon. members present do not know that the federal Department of Agriculture makes small grants to the universities in respect of certain agricultural work. Then there is a great deal of co-operation between the federal Department of Agriculture, the universities and the provincial departments of agriculture. Some hon. members may have the idea, I imagine, that there is a great deal of duplication in this work, but I can assure them that such is not the case—it is not a matter of duplication, but of co-operation. Some of the trials which are carried on are carried on in several different places around Canada simultaneously, with the result that more is achieved in one year than could have been achieved in many years under the old system.

I feel that this fine research work which is being carried out is closely related to the salaries paid to our best men. If it is necessary to pay increased salaries to our best men in order to retain their services, I believe this should be done. If the funds available are restricted, I suggest it is far better that we should eliminate some of the work which is of lesser importance in order that we may retain the services of our top men, men who have for years and years been learning this job. We do not wish to see them walk off to some other country to take up other posts with implement companies or industrial concerns. Let us keep our top research men in the country.

In closing may I say that the people who work in the Department of Agriculture belong to one of the greatest groups in the whole civil service; they are dedicated men and they are not too worried about whether it is five o'clock, six o'clock or nine o'clock when they finish their tasks.

Mr. Fleming (Okanagan-Revelstoke): I should like to take this opportunity to say a few words about the serious condition facing the tomato industry in British Columbia. This industry has been in serious difficulties over the past several years, so much so that during the last three years it has been necessary to sustain it by the protection of the stabilization act.

There are many contributing factors to the decline of the British Columbia tomato industry, an industry which has been established in the province for over 50 years. I am informed by highly qualified people, commenting on the situation that exists in the Okanagan valley, that one of the most pressing necessities is to find a new strain of tomatoes, plants particularly adapted to the soil and climatic conditions of southern British Columbia, particularly the Okanagan and Kamloops areas. A few years ago—as recently as 1958—the experimental farm at Summerland did valuable work on the development of a strain of tomatoes resistant to disease. This was an effective program, and valuable results were achieved, but it is clearly obvious that if the industry is going to continue in British Columbia this other problem of developing tomato varieties specially suitable for growth in the south central section must be tackled.

The people engaged in the industry have told me many times that the reason why there has been such a tremendous growth in the

tomato industry in California, a growth which has had such detrimental effects on the industry in British Columbia and elsewhere in Canada, is because for years California undertook a program of research to develop tomato strains particularly suitable to their climatic and soil conditions and as a consequence of that research their production today is probably the greatest on the North American continent.

I realize that not all the solution of this problem of agriculture in British Columbia is to be found in a research program but I would ask the minister to seriously consider the suggestions which have originated in the industry and to accept the fact that there is room for a research program to be undertaken probably at Summerland to develop strains of tomatoes that will increase both the production and volume of the industry in British Columbia so that the industry can survive without artificial assistance.

Mr. Pugh: Mr. Chairman, I listened with interest to the words spoken by the hon. member for Fraser Valley and the hon. member for Okanagan-Revelstoke. I should like to take this opportunity of saying a few words about the Summerland experimental farm without going into too great detail. I have often wondered the extent to which Canadians realize the tremendous amount of important work that is done by this experimental farm in the Okanagan valley. Your appreciation of it increases when you think of the many things they are working on including varieties of trees, the development of various strains with the assistance of the British Columbia fruit growers in deciding on what they should do, research into what fertilizers to use, experiments with spraying and spraying materials and finally the by-products which are many and for which a great deal of credit is due to the experimental farm. I cannot resist mentioning the last great success they had which was something that is not advertised in the province of British Columbia; I refer to their excellent apple cider.

Mr. Rapp: Mr. Chairman, I should like to ask the minister a question or two. Could he give us some information about the grants that are given to the University of Saskatchewan and the national research council in Saskatoon? Lately they have made wonderful research discoveries with respect to edible oils and their use. In his remarks a week ago the minister mentioned that his department had set up some pilot plants to ascertain how some of these edible oils could be improved or made more readily available through commercial markets. Perhaps the minister would amplify those statements.

[Mr. Fleming (Okanagan-Revelstoke).]

Mr. Harkness: Mr. Chairman, I should like to thank the hon. member for Fraser Valley for his remarks. He is uniquely qualified to speak with knowledge in this committee on the work of the experimental farms and the research branch of this department.

The hon. member for Okanagan-Revelstoke raised a matter about which there was some discussion last Friday, the tomato situation in British Columbia. I should like to assure him that research is continuing in attempts to produce better varieties of tomatoes in that part of the country. That work is being carried on at Summerland.

I should like to say, however, as I said last Friday, that I think the main difficulty with respect to tomato production in that part of British Columbia is the lack of humus in the soil. It is a matter of improving the richness of the soil in that regard more than anything else, I believe, if the production per acre of tomatoes is to be increased to the point where it will be an economic operation.

The hon. member for Okanagan Boundary mentioned briefly the experimental station we have at Summerland. This station has done an extraordinary amount of good work as far as horticulture is concerned and particularly in terms of fruit growing. That work is continuing at an even more greatly increased tempo than in the past.

The hon. member for Humboldt-Melfort mentioned something I referred to last week, the setting up of a pilot plant to determine to what extent rapeseed might be made use of in the production of margarine. This was done by a commercial concern which is in the business of manufacturing margarine and was not done by the department itself.

Mr. Winch: Mr. Chairman, I am sorry I did not hear all the remarks about vegetable production in British Columbia and particularly with respect to tomato production and canning in the Okanagan area but I heard a little of what was said and would ask the minister to reconsider and review the latter question. I was pleased about the information given by the minister when I raised this matter the other day and I appreciate the fact that he came to me afterwards and showed me certain graphs, charts, records and the results of investigations made by his department under his instructions relative to the situation. I immediately dispatched to interested persons in my riding a copy of *Hansard* for that day telling them I was interested more in their comments on what the minister had to say that day than in what I had said. Perhaps he could answer some of the questions raised by the replies I received.

I have in my hand one letter a copy of which I understand was sent to the previous speaker and I am surprised he did not mention it in his remarks. May I read part of the letter I just received on this matter addressed to myself under date of May 5 and referring to the remarks the minister made last week:

I am more than surprised at the remarks of Mr. Harkness. Except for one, these statements are untrue, or only half-truths. The wages paid on B.C. farms are probably higher than those paid in Ontario, but our wages are certainly not too high. They are from $350 per month for skilled farm workmen, and range down to $1 and 75 cents per hour for common labour, and boys and girls from school for harvesting. Piecework rates for harvesting average about double these rates per hour. California farm wages are higher, but Mr. Harkness failed to mention that in California the tomato yield per acre averages more than double B.C. and Ontario because the harvesting season there is more than double in length. He also failed to mention the new strains of tomatoes particularly adapted to California climate were developed largely by federal money.

I believe the previous speaker said that it was not federal money but state money. My information is that it was all federal money.

He did not mention that these same California tomatoes had displaced thousands of acres of tomatoes in central U.S.A. Our farms and canneries of B.C. are more efficient on the average than are those of Ontario and Quebec; otherwise we could not be in business this long with subsidized freight rates favouring canned goods from the east.

Then he refers me to a producer who is also a canner and has this to say:

His company operated a tomato farm of 150 acres in the Kamloops area. They had a brand new tomato factory valued at nearly $200,000. The whole opertion ceased three years ago because of California competition on the coast markets.

I want to emphasize that that is information about an Okanagan canner and producer. He goes on to say:

Our land is not worn out and our yields and quality are better than that of Ontario on the average. We have figures from Ontario agriculturists that show Ontario tomato farms as being smaller than those in B.C. From personal observation I say without fear of successful contradiction that B.C. farms are more mechanized.

They are more mechanized than others in Canada producing the same crop. As I say, this information comes to me as a result of having sent this gentleman a copy of *Hansard* containing what the minister had to say and asking for this gentleman's comment. That is the reply I received. A few days later I received another letter and in all fairness to the minister I think I should place on the record a part of the letter I received on May 9. It reads in part as follows:

Generally I would say most people think the government missed a pat on the back from grower and labour alike because, as in 1958 and 1959, help for the tomato grower came too late to be more than partially effective. It was not possible in the middle of April to get sufficient acreage planted to enable any of the closed canneries to reopen. We will not be operating our cannery to full capacity unless there is better than a normal crop yield.

If nothing of a permanent nature is done for the tomato industry before next March, the Minister of Agriculture could be right when he inferred the money spent to help this industry in 1958, 1959 and 1960 is wasted. His warning that no help will be forthcoming in 1961 does sound strange.

As a city man but one who is very interested in British Columbia and its problems, and having sent what the minister had to say about this matter to this gentleman, I thought it was only right that I should now convey to the minister the answers I have received in reply to his statement a few days ago and ask him to comment thereon. I would also suggest that possibly there should be a change of mind and that interest in this problem of the Okanagan should be continued in the form of continued assistance but with that assistance being given at a far earlier date than in the past.

Mr. Harkness: Mr. Chairman, I would suspect that the information the hon. member has just put on the record has come from Mr. Bulman of Bulmans canneries in the Okanagan.

Mr. Winch: And the trade unions.

Mr. Harkness: I do not want to carry on a controversy with Mr. Bulman and the trade unions in the Okanagan valley over the tomato situation. However, the figures quoted do indicate the fact that the labour cost there for the handling of tomatoes or for farm labour is considerably higher than in Ontario and higher than for highly qualified farm workers on the prairies who have to handle large combines worth $8,000 to $10,000. What I said last Friday was that there was a very high content of hand labour with respect to some of the tomato production in the Okanagan valley.

However, the general situation, whatever reasons may be given for it, is that the yield of tomatoes in the Okanagan during the period from 1935 to 1945 was actually higher than the yield in California. It was somewhat higher than in California but at the present time it is about half what it is in California. Therefore that indicates that it is not a question so much of the longer growing season. As I say, I am informed by the scientific people, who should know, that one of the basic difficulties in the Okanagan is a lack of humus in the soil. All I can do is pass on that information. In any event, the situation is that whereas during that previous period the yield of tomatoes was actually a bit higher in the Okanagan than in California it is now only about 50 per cent as high

as California. California has gone away up and the Okanagan has gone up too to some extent, but you have that disparity. I would also point out that while the tomato people of British Columbia have been insistent on having subsidies each year for the last three years to keep them in business, tomato growers in other parts of Canada, which means chiefly Ontario—

Mr. Martin (Essex East): Essex county.

Mr. Harkness: —have not asked for subsidies. As a matter of fact, they were not in favour of the subsidy either last year or this year for themselves or the British Columbia producers. They were finally prevailed upon to agree not to oppose a subsidy being given to British Columbia; they were finally persuaded to withdraw their opposition. The fact is that the industry in British Columbia is not producing efficiently enough, or perhaps I should say cheaply enough, to be able to compete. That is the stituation, no matter what reasons may be advanced for it.

Mr. Benidickson: Mr. Chairman, I imagine that much of the most worth-while research work of this branch finds its centre and leadership at the Ottawa experimental farm. I know that during recent months the minister has been questioned by the many friends of the farm about his policy with respect to land use there, particularly encroachment by buildings. I am sure the minister will be glad to have perhaps the first opportunity this session to indicate what his views are in this respect. Frequently when we visit the farm we see a new building and there are those who are wondering whether or not we will long have this admirable oasis in our capital city if this continues unduly.

Mr. Harkness: I think my views with regard to the central experimental farm are well known and have been very well publicized in the local Ottawa papers. I have stated on numerous occasions that I am opposed to any of this land being alienated for building purposes and that the only buildings that should be erected are the laboratories necessary to carry on the work for which the farm exists. In the two or three years since I have been minister the only construction has been along that line, laboratories for the use of the scientists who are carrying on experimental work at the farm.

Mr. Peters: I should like to say a few words. We have always been very pleased with the work the federal experimental farms do and we are concerned over the fact that the farm in northern Ontario, that is at Kapuskasing, has not gone ahead in recent years. The farm originally did a very competent job in the development of new strains of grain and strains of potatoes that were suitable for the northern divide area. This farm has a big contribution to make to the Canadian economy. It is an experimental farm situated on the Arctic slope, and situated also in the great clay belt which eventually will supply, without any doubt, a large percentage of the agricultural produce that will be used in the industrial sections of Ontario.

Over the years, as I say, this farm has served a purpose. However, in recent years it has done less and less in the line of development work according to the information the people who are dependent upon that farm receive. It would seem that the experimental farm at Kapuskasing has several other jobs to do besides the one it has done in the past. One of them, I would suggest, is to help the community in designing a new method of marketing the products of that area. As the great clay belt is deforested our growing season lengthens. As the trees are cut, the water and muskeg situation recedes at a rapid rate and the farmers are able to produce exceptional crops on that northern divide. They have gained world championships in the production of peas, potatoes and one of the types of wheat.

It would seem to me that now we have indicated these things can be done in that part of northern Ontario the department has an obligation to conduct research to aid the people in selling these products. These farmers are a long distance from the markets, and it would seem to me that the experimental farm at Kapuskasing could be used to develop new methods of canning the produce that is available there. In this way the people who are engaged in agricultural production in that area could be helped. Assistance of this type has been given in other parts of the country and in other parts of the world, and the people have been able to can blueberries, small fruits such as cranberries, raspberries, strawberries, and so on. It would seem to me that since these fruits grow profusely in that area in their natural state work could be done by the federal government at the experimental station to domesticate some of these varieties, such as blueberries and cranberries. Other countries have been able to do this and are now sending blueberries into Canada. In the past, we have never been able to ship blueberries in refrigerator cars to markets like New York. It would seem to me, Mr. Chairman, that the experimental station at Kapuskasing could be reorganized so that more work could be done in the development of methods

of processing and handling all the products that are readily produced in that area.

I think there is another field of agricultural research that could be followed in northern Ontario. I am sure the minister has received requests from the federation of agriculture, and particularly from the farm unions in Timiskaming, with relation to the agricultural lime problem. We have agricultural lime available in that area. There are quite large deposits, and it would seem to me that the government could offer—

Mr. Harkness: Mr. Chairman, there is a special item here in connection with lime assistance and I think we should deal with this matter under that item rather than under experimental farms.

Mr. Peters: I am well aware of the subvention on agricultural lime. What I am saying is that the government could give some assistance in the form of research to aid in the development of this lime deposit. It would seem to me this problem would fall into the research category. We have not the facilities in northern Ontario to ascertain whether or not this lime, when it is crushed into the proper size, is water soluble, has the proper calcium content or contains too much dolomite or some of the other impurities. I feel some assistance could be given to the farmers in that area in the research line which would help them improve their self-sufficiency in that area.

Mr. Harkness: Mr. Chairman, if the hon. member thinks that the work at Kapuskasing is being reduced, he has a complete misconception of it. This is a very large research station. We have 54 employees there who are carrying on a very wide variety of research activities. It is true that in recent years the emphasis has been put more on pasture crops, forage crops, livestock and so forth, for the very reason the hon. member mentioned that there should be a tie-in with what can be marketed. The fact is that livestock can be marketed to much greater advantage in that area than can grain crops and other crops of that kind. It is for that reason we have emphasized pasture crops, pasture management and livestock to a greater extent in recent years at that particular station.

However, the station does carry on, as I say, a wide variety of activities, namely animal husbandry; apiculture, that is the testing of hybrid bees, the flight behaviour of foraging bees; cereal testing on all kinds of special hybrid material to improve varieties of oats and barley to make them more adaptable for northern areas; the production and foundation of registered grains, to promote the use of varieties recommended, and so on. There are field husbandry studies in drainage, soil tillage and fertility; management of heavy clay soils; pasture improvement and so forth. I have already mentioned forage crops. Then, in horticulture there is the testing of small fruits and vegetables; methods of producing vegetables within a spruce windbreak versus open growing. Then in the field of poultry, there is the controlled housing experiment on poultry, and things along that line. As I say, this is a very large and active experimental station. It is carrying on a great deal of work which I think is of considerable advantage not only to the area in which the station is situated but to all areas in much the same latitude and with the same soil.

In so far as blueberries are concerned, we concentrate our blueberry research in the maritime provinces. We have done a great deal of it there. The results of that research are just as applicable to the area around Kapuskasing as to the area in which the research is conducted. It is the same as the situation with respect to experiments in the improvement of the Hereford breed which is carried on in Alberta. The results of these experiments are applicable right across Canada, just as they are in the particular area in which the experiments are being conducted.

Then in so far as lime is concerned, there have been all kinds of experiments with regard to lime. All the information derived from these experiments has been published. I do not believe there is any shortage of either research or information. There is plenty of information available on the results of research in connection with the use of lime, and if farmers want to ask for it they can get it.

Mr. Peters: In reply may I say that I did not want to imply that the Kapuskasing station was not serving a satisfactory function. It is doing so. It may be said that I owe my understanding of experimental farms to the fact that I lived on one all my early life. My father was the manager of an experimental farm at New Liskeard. I was just suggesting that in the Kapuskasing area—and in fact this farm has been in existence for a period beginning prior to the first world war—we have reached the point of having done the experimenting that is necessary in grains and have been able to produce remarkable crops in that area. Now the problem is as to what we are going to do with the crop when we produce it. There is nobody to buy it. It is too far from the market to ship it any place.

I am suggesting that probably the experimental farm might give some assistance in marketing procedures, particularly in connection with peas. For instance the best peas in the world are grown there, as has been proven in open competition in world fairs.

We have no canning factory at all in that area. The closest canning factory was in New Liskeard and that factory has been closed down for a number years. It would appear to me that the experimental farm could do a service to the area now by assisting in that field of what in industry is called prefabrication. I am not sure what you would call it in agriculture. I refer to the field in which they assist in packaging or in canning or in making ready for market the product which they can produce.

With respect to the work on limestone, I am aware of the fact that information on the conditions of soil is readily available to the farmers throughout the area and also as to the type of limestone. My complaint is that a number of farmers themselves have small quarries on their farms or in the immediate area and they do not know—and they have asked me to find out—whether there is available any assistance to help develop enough of a sample of this limestone so that they will know whether it is worth while to put in a plant or a crusher so they can use it on their own farms. Some of the limestone is not suitable for use as agricultural lime and this is the field in which I was interested.

The limestone in the Earlton area in particular is of a grade which would be suitable if made available for agriculture. It may be possible that through the Department of Agriculture they could send samples of this limestone to the department of mines and have the crushing done there and also a analysis which would indicate whether this was a feasible operation for developing agricultural lime in our own area. As the minister is well aware, they have already taken advantage of the agricultural lime subventions in Timiskaming in recent years and there is a growing need for lime. I think there would be some advantage to the government as well as to the people there if it could be produced on a local basis.

Mr. Harkness: As to the local lime or limestone which exists there, may I say that if the farmers there wish to send in samples we would be glad to test them out and advise as to what their best use would be and so on. The actual distribution of the limestone under the assistance program is carried on by the province. We pay part of the cost and the province pays part of the cost, but the actual distribution is carried on by the province. The province would be the place to get in touch with if the farmers wish to work up a sale for this lime for the joint dominion-provincial subsidized distribution.

Mr. Horner (Acadia): This item has to do with research under the national research council. At Saskatoon Mr. Craig, who I think is head of the department out there, made a statement which was published in the Alberta *Wheat Pool Budget* to the effect that if one third of the vegetable oils used in margarine consumed in Canada was rapeseed oil that would create a need for 300,000 acres of rapeseed to be grown in Canada. I wonder whether the minister can report on this pilot plant that has been set up to ascertain whether rapeseed oil could not be used in margarine. I wonder whether this pilot plant is a direct part of the national research council or whether some university is undertaking this work. Just where does it come in?

Mr. Harkness: Of course there is no question at all that rapeseed oil can be used in the production of margarine. It has been used in Europe for that purpose for the last 60 years or 70 years. As I said a bit earlier, this pilot plant was set up by a private company. I had a considerable number of conversations with the management of this company, and asked them particularly to set up this plant to ascertain what could be done. Their complaint about using rapeseed oil in the manufacture of margarine in this country was along the line that they use certain formulae and that if they change the formula they may lose the advantage of the advertising they have done in order to publicize that particular type of margarine. The purpose of the pilot plant was in order to see to what extent quantities of rapeseed oil could be used in the manufacture of margarine without changing what you might call the texture, or the taste or anything else of that particular brand and also to ascertain the extent to which margarine could be produced which would be acceptable if made more or less completely or to a large extent from rapeseed oil.

Mr. Herridge: I want to raise only one matter on this item but I raise it because it is of particular importance to a number of people in my constituency. An interest is being taken in the question not only by farmers organizations but by chambers of commerce and other organizations. They are showing a renewed interest in the development of agriculture in the Kootenays. The first orchards in the Kootenays were planted in a period from 50 years to 40 years ago, generally speaking. There were a few in existence prior to that time, but the bulk of them were planted in that period. Consequently they have now come to the end of their major production period and on account of aging and so on many of them have gone into decay and there is no production on a good number of those orchards. I am speaking with some experience.

I have had 50 years' experience as a very small tree fruit farmer and I know what I am talking about when it comes to the matter of tree fruits. The experience throughout the years has indicated that in the Kootenay area—and I am talking about west Kootenay particularly—owing to the cool nights and the particular soil conditions and the climatic conditions in general, any replanting should be largely of certain varieties of pears and of cherries. Possibly the top quality cherries produced in Canada are produced there owing to the local climatic conditions and soil conditions. However, the old cherry orchards in many cases have been affected by little cherry disease and the planting of new cherry orchards is being delayed awaiting the results of the investigation into little cherry disease or the production of a variety that will be proof against the virus of little cherry disease. I know of one instance in which a man is waiting to plant 10 acres in cherries but is afraid to do so until there is some assurance that the varieties he plants will be proof against little cherry disease or that some remedy has been found for little cherry disease.

My question is this. In view of the great importance of this problem in certain areas in the Kootenays and the fact that if some solution can be found it will mean the planting of hundreds of acres of cherries in the area, which planting is now being delayed, can the minister tell the committee the results to date with respect to research into little cherry disease so far as the orchards that are planted are concerned and so far as the production of new varieties that will be free of the virus of little cherry disease is concerned.

Mr. Harkness: I am informed that we are doing as much work on this little cherry disease as the department thinks can usefully be done. Apparently a great deal of classification of material is required in order to try to get a variety of trees or plants which are not subject to little cherry disease. We actually have a man in Japan at the present time classifying material there in an attempt to get species for breeding purposes for use in this country which will be or are immune to this little cherry disease. The problem has not yet been solved but I am informed that we think we are making a considerable amount of progress.

Mr. Winch: Mr. Chairman, I wonder if the minister could comment on the situation as regards research into the use and processing of strawberries. I am naturally most interested in strawberries living as I do only a few miles from the Fraser valley which, as I pointed out on a previous occasion, I think it can be said without any honest contradiction produces the finest strawberries in the world. It has been a declining agricultural industry and I would like to ask if any work has been done at all by way of research or any other type of study or planning in order to maintain that industry.

I ask that question because I completely fail to understand why, with the productive capacities of many parts of Canada, in particular the Fraser valley area of British Columbia, at a time like this in Vancouver, Burlington and right here in Ottawa, fresh frozen strawberries come from California and Holland. I completely fail to grasp the reason for that situation in view of the fine strawberries that can be grown and have been grown in British Columbia. Can the minister make any comment on the situation?

Mr. Harkness: Mr. Chairman, as far as the latter statement is concerned, about the only comment I can make is that in my experience in these matters when you look into any particular situation you find in most cases it is due to economic conditions that imports come into one part of the country, although perhaps not into another part, of some particular product such as strawberries.

As far as research into the processing end of things is concerned, we have been carrying on some research in order to develop better shipping and better freezing varieties. The demand at the present time is getting to be more and more for frozen strawberries rather than canned strawberries, and as a result of that we have been attempting to develop varieties which will stand up better to shipping so that the chances of shipping strawberries fresh over great distances would be extended.

Mr. Winch: Perhaps I was a little misunderstood. If you go into an Ottawa store today to buy strawberries you will see the York brand of fresh frozen strawberries. You cannot tell me that they can produce fresh frozen strawberries at this time of the year in Holland or the United States any more than we can in the Fraser valley. Therefore they must be strawberries which were grown months ago. They cannot be grown in greenhouses. I have never heard of strawberries being grown in greenhouses in my life, and therefore it must be due to some system of processing. If they can do it in Holland and the United States, how come we cannot do it or are not doing it in British Columbia? Is any thought being given to this situation?

Mr. Harkness: Of course we are doing a lot in the way of frozen fruits and vegetables. We are freezing strawberries in Canada, and I believe we are doing that in the Fraser valley. But as regards frozen strawberires at the present time from the United States, they might well be strawberries growing now in some of the more southerly states. The ones imported from Holland I would think must be ones carried over from last year. But in any event we do freeze strawberries in this country, and quite a lot of our consumption of frozen strawberries, I think, are of our own production.

Mr. Winch: Try and buy some in Ottawa.

Mr. Harkness: It may be that the ones frozen last year have run out by this time, I do not know. But in any event, as I said last week in answer to the hon. member, I think in connection with pork luncheon meat, you have to expect some imports of quite a few of these commodities. You cannot expect to keep out all the products of other countries if we are to carry on any sort of reasonable freedom of trade at all.

Mr. Howard: Mr. Chairman, there is one specific point I wish to deal with and to ask the minister about at this time. I should say, first, that the minister was very kind to write to me earlier in the year indicating that there were to be some personnel changes and transfers in the experimental farm at Smithers, that some of the people were going to be transferred to Prince George. Since that time I have received a number of communications, and more recently a telegram, from people in Smithers who have some misapprehensions about the future of the experimental farm there, and I wonder if the minister would be kind enough to give the committee at this time an indication of what is in store for the experimental farm at Smithers, whether it will be retained as it is at the moment, and with respect to the staff transfers, how many are to be transferred, where they are to be transferred to, what classification or category they would fall into, and things of that nature. Would he give a general indication of the future prospects for the experimental farm at Smithers, because of the thoughts and fears expressed there to the effect that there is an impending closure of that particular farm?

Mr. Harkness: Mr. Chairman, the situation at Smithers is that we have transferred from there two research officers and they are now going to be stationed at the farm at Prince George, not very far away. The impression seems to have become current in some quarters out there that this farm will be closed down and done away with. This is incorrect. I have written to that effect to the Smithers board of trade and some other organizations there who seemed to have that idea and who were writing or wiring me in connection with the matter.

The farm will be continued. The two research officers who were there have been moved to Prince George where their high degree of training can be used much more effectively and efficiently to the benefit of agriculture in the area and in Canada generally than it could with the two of them sitting there more or less isolated from any larger and more specialized research institution.

Mr. Howard: Those will be pleasant words to people in Smithers, that the plant there is to be continued. I wonder if the minister could indicate whether there are any other contemplated staff transfers or reductions in staff at that experimental farm, and at the same time indicate what is the present staff strength at that particular farm.

Mr. Harkness: I am just attempting to find what the present strength of the farm is; it has to be looked up in one of these big books here and will take a minute or two. But in any case there is no intention at the present time to reduce the strength of the personnel at the farm any further. The exact work which will be carried on by the farm is under study at the present time and no final determination has been made as to what type of work will be chiefly emphasized at the farm. I now have the number of employees; there are 22 employees there.

Mr. Martin (Essex East): Will the minister say a brief word about the experimental station in Woodslee established two years ago in the corn centre of Canada. As the hon. gentleman knows, Essex county is responsible, along with Kent, for 65 per cent of the corn produced in Canada and it would be interesting to know what assessment the minister places on an institution which I think is doing very outstanding work.

Mr. Harkness: As the hon. gentleman knows, the Woodslee station is a substation of the Harrow experimental and research set-up. In a minute I will have the general line-up in connection with what is carried on at Woodslee. The following studies are being made, in particular, at the Woodslee substation.

Evaluation of cropping systems for the improvement of physical condition and productivity of clay soil.

Evaluation of fertilizing materials and methods of applying them in the improvement of crop yields.

Evaluation of tillage methods in the production of cash crops.

Studies on the use of crop residues in the cropping system to maintain soil physical condition.

Studies on rates of planting cash crops in conjunction with fertility levels.

Soil compaction studies as related to cropping systems, soil physical condition and soil moisture.

Studies on soil physical condition as affected by synthetic soil conditioners at different depths and deep rooted legumes.

Study of tile flow characteristics and plant nutrient losses into tile drains under different cropping systems.

Breeding and selection in sweet clover for rootrot resistance in this soil improving crop.

Introduction and observation of new grasses and legumes to determine whether adapted to the area.

Item agreed to.

7. Construction or acquisition of buildings, works, land and equipment, $6,470,910.

Mr. Peters: May I ask the minister where this acquisition of buildings is taking place? Does this refer to the headquarters here in Ottawa?

Mr. Harkness: No. The buildings listed here are for stations right across Canada. There are a few laboratory buildings for the central experimental farm included, but the great bulk of the building is on experimental stations scattered across the country.

Mr. Benidickson: Is any expenditure for the hon. minister's proposed new administration building listed under the Department of Public Works estimates?

Mr. Harkness: Yes. If a new administration building is built the vote would be found under the Department of Public Works and the work would be carried on by that department.

Mr. Peters: May I ask the minister if the provision of animal laboratories in conjunction with the experimental stations is included in this estimate?

Mr. Harkness: The hon. member means the one at Kapuskasing?

Mr. Peters: Actually I have in mind the station at New Liskeard, which is a provincial station. They have put in laboratories at the Ontario experimental farm there and I was wondering whether the federal government is doing something similar. It would be a laboratory sufficient to carry out tests for tuberculosis and similar work.

Mr. Harkness: I do not know what kind of laboratories have been put in on a provincial farm, naturally, but this vote does include funds for a considerable number of laboratories of different types at different places.

Item agreed to.

Production and marketing branch—

9. Agricultural products board administration, $10,000.

Mr. Martin (Essex East): Would the minister tell us something about the services which this vote provides?

Mr. Harkness: This is a board which was set up some years ago to buy or sell agricultural products, particularly to sell them on behalf of the government. The board has been used on several occasions in the past to dispose of certain surpluses, and it might well be used again during the next year or two to help us dispose of some of our pork surplus.

Mr. Martin (Essex East): Does it deal with wheat surpluses?

Mr. Harkness: No. As the hon. gentleman knows, the selling of wheat comes entirely under the Department of Trade and Commerce.

Mr. Peters: Has this board any functions with relation to the disposal program under the Colombo plan? Does it deal with transactions of a welfare type? There must be some agency which deals with such matters as this.

Mr. Harkness: This has nothing whatever to do with the Colombo plan. The board was set up, some eight or ten years ago, in the first place in order to import butter when there was a butter shortage in the country. Afterwards it was used to dispose of stocks of meat. Since then it has been comparatively inactive. However, as I say, we might well make a considerable amount of use of it in disposing of the present surplus of canned pork.

Mr. Martin (Essex East): I do not know whether this particular problem which is in my mind would come under this item or not, but I suspect, from the outline which the minister has given, that it would. I was tempted to deal with my particular concern when the hon. member for Vancouver South was speaking about the reduction of the tomato crops in the Okanagan valley in British Columbia.

The opposite situation has developed in the county of Essex, which is, of course, one of the great tomato producing counties of this country. I will not enter into superlatives as to which is the best, but I had always understood, in my inexpert interpretation of these

matters, that the tomato crop in Essex county was in a class by itself. That, however, is not the point. The point is that in the past two or three years the farmers in Essex county, and in a special way in that portion which I have the honour of representing, have been confronted by the Heinz Company and the canneries generally with a forced reduction in the acreage of tomato growing. This represents a very great loss to the farmers of our county.

The minister may say that all this item deals with is not a reduction of acreage but a situation where there is a surplus of production. That would be a fair comment. Now there would be in my area a surplus of production if it were not for this enforced cut by the canneries and others in the acreage devoted to tomato production. Is there anything which this board could do, in the opinion of the minister, to find ways and means of allowing at least normal acreage production to develop; to find ways and means of taking care of the difference in production between what the canneries need and what the farmers are able to produce?

At Easter time I met with a large group of farmers in my own constituency on this problem and I met with farmers in one or two other counties last fall. There is genuine concern about this matter. I am wondering if this particular products board could not be invited by the suggestion I am making, if it has any merit, to look into this problem which concerns a large group of farmers and which I am sure applies not only to Essex county but also to Kent and perhaps even to Lambton but in a special way to the county of Essex.

Mr. Harkness: Mr. Chairman, this board has no function whatever in that regard. It is purely what you might call a merchandising board set up by the government of which the hon. gentleman was a member for the specific purpose of buying or selling agricultural commodities on behalf of the government. As I indicated, it has been used only to a limited extent for that purpose.

Mr. Martin (Essex East): Would there be any other agency that could undertake this?

Mr. Harkness: As far as the general question raised by the hon. member is concerned, there seems to be a general impression on his part and on the part of some other hon. members that the amount of canning of tomatoes has been reduced materially in Canada. That is not in accord with the facts. Tomato canning has been materially reduced in British Columbia but not in Ontario. The actual figures for the amount of tomatoes canned in the years 1954 to the present time are as follows:

Year	Amount
1954	43.5 million pounds
1955	85.9 million pounds
1956	86.9 million pounds
1957	76.6 million pounds
1958	76.7 million pounds
1959	78.6 million pounds

In spite of the fact that there has been a material reduction in British Columbia, canning last year was nearly twice what it was in 1954. It was a little less than in 1955 and 1956 but more than in 1957 or 1958.

Mr. Martin (Essex East): I appreciate the correctness of the statistics the minister has given but I do not think they alter the point I made. Large canning companies in my county did advise the farmers last year that because they had a surplus of tomato pulp they would simply not require the same acreage production, let us say of a year previous. I went to one of these large canneries myself and having seen the storage of the large quantity of tomato pulp I could quite understand the position that was taken. As a result, however, there was a substantial cut in the acreage. In the case of one company it involved as many as 3,000 farmers. That is a serious situation in any county. What the minister says about the increase in population and additional uses for the product is probably true but it does not alter the fact that the situation as I have indicated exists. I direct this matter to the attention of the minister and his officials in the hope that they will find it possible to give close examination to this problem.

Mr. Harkness: We would be glad to look into the matter but I think the hon. member realizes that in an economy such as ours we cannot force companies to take larger acreages of tomatoes than they are prepared to purchase. The production in fruits and vegetables varies up and down quite a bit. The figures I read indicate that in 1954 there were only 43.5 million pounds of tomatoes canned and the next year there were twice that many, 85.9 million pounds. That is just in the nature of the business. It varies up and down from year to year, sometimes to a marked degree.

Mr. Martin (Essex East): But if, for instance, there were a surplus of production, let us say in Essex county, it might be possible to take care of the shortage that exists as reflected in the imports from California into British Columbia. I know that my hon. friend would not want to see Essex county

tomatoes competing against tomatoes grown in British Columbia, but I am sure he would prefer that to competition from California.

Mr. Peters: Mr. Chairman, has the government given consideration to enlarging the functions and powers of this board? The minister indicated it has not done very much in the last year or two. He referred to some of the things it did including work on imports of butter. I presume he referred to Mr. Howe trading a boat load of butter for a boat load of machinery in which he was interested. In any event the board has not proved entirely satisfactory. I think consideration should be given to enlarging the scope of the board so it could take care of surpluses that are developing and put them into disposable form.

Last year I received representations from various fruit and vegetable growers in the Welland area. I assume other hon. members received them. Why otherwise would they send them to me in northern Ontario? The representations stated that many canning companies in the area were purchased by United States agencies with no intention of operating them. The canning facilities were tied up and the fruit could not be harvested, much of it rotting on the trees. It was necessary to take cherries to the cannery early in the morning in order to dispose of them because some canneries operated only on a partial basis.

Without much expenditure we could establish under this board facilities for canning surplus products thus eliminating waste. I urge the minister to consider this suggestion. This could be worked on a deficiency basis. The produce could be bought at a nominal price and when sold at a later date the complete payment could be made to the producer. I think it would be advantageous both to the consumer and to the people who find it impossible to can these products that are going to waste.

Mr. Harkness: Mr. Chairman, there is no need in the world for any expansion of the activities of this particular board. Actually the hon. member was talking chiefly about operations of the stabilization board. The stabilization board is the board which is responsible for supporting the prices of farm commodities and doing that by the method of purchase, the method of a deficiency payment or whatever method may be decided upon as the best one for the particular product. That has absolutely nothing to do with this particular board we are talking about which was really set up as a stand-by organization so that it could act as the merchandising agent for government stocks or as the purchaser if the government wanted to buy stocks, which under the act could not be done by the old agricultural prices support board or by the present agricultural stabilization board.

Item agreed to.

10. Agricultural Stabilization Act administration, $315,130.

(Translation):

Mr. Boulanger: Mr. Chairman, on item No. 10, dealing with agricultural prices stabilization, I would like to say a few words about the support price on hogs.

Since the department changed its policy with regard to the support price for hogs, we had a few surprises. The first was that during the first quarter of 1960, we expected to receive about 170,000 hogs a week, while we received an average of only 156,000.

Because of those reduced arrivals, prices have been steady, especially on the eastern market.

In western Canada, where they have the largest hog surplus, prices dropped substantially.

I have here a publication issued by the Canadian packers board for March and April 1960, showing the average premiums obtained on the Toronto, Winnipeg and Calgary markets.

We note, for instance, that in mid-March, the price for pork went down to $16.66 per hundredweight in Calgary, to $17.25 in Winnipeg and to $19 in Toronto. They went up later on, increasing by about 19 cents in western Canada, but scarcely by 2 or 3 cents in Toronto and Montreal.

What is strange is that prices kept falling in spite of decreased arrivals. There are reasons for that. First, we are told that hog shipments to the United States have decreased by 30 per cent.

A second reason is the equalization payments that the federal government requires from exporters in order to ensure that cuts from carcasses subject to deficiency payments will not be exported at less than floor prices.

At mid-March prices stood at 7 cents a pound for plain cuts. This is the result of an unenlightened policy that was established by the government on the basis of ill-timed considerations.

In view of the situation facing hog breeders at present, I should like to direct a few questions to the minister.

First, I would like to ask him if he can tell us about the production outlook for the next half-yearly periods and about the expected prices?

(Text):

Mr. Harkness: We estimate that pork production during the next six months will be down approximately 16 per cent from what it was last year. The fact that the production of hogs is down indicates that the deficiency payment method of supporting the price, which was put into effect at the first of the year although it was announced nearly a year ago that this was going to be done, has been effective in helping to bring the production of hogs into line with what can be marketed during the next six months at a reasonably satisfactory figure.

If we had not taken the action we did of changing the method of support for hogs there is no question at all in my mind that at the present time the production of hogs would be several per cent higher than at this time last year rather than being more than 12 per cent lower than what it was at this time last year. Over the year it is anticipated that production will run perhaps 16 per cent lower than last year. It was essential to bring production into line with what can be consumed in this country and marketed abroad because we were rapidly getting into the position where there was not enough storage space in Canada to hold the pork chilled. As a result we had to can a considerable amount and the demand for canned pork is not very extensive anywhere.

Therefore, as I say, we had already reached a position where a change absolutely had to be made. We could not continue piling up surplus pork. The change which was made has been successful in bringing production down so that it is much more nearly in line with the demand. At the same time the prices which have been received have not been very greatly below the national average support price of $22.65 a hundred. As a matter of fact, from January 1 to April 2 the average price received for hogs across Canada was $20.55. That is $2.10 a hundred less than the support price which means, of course, that a deficiency payment of that amount was due farmers as of that date. This varies, of course, from week to week depending on what the price of hogs is during each week.

Mr. Argue: But there would not necessarily be any deficiency payment paid.

Mr. Harkness: No, that is correct, not necessarily.

(Translation):

Mr. Boulanger: Mr. Chairman, I see that the Minister of Agriculture (Mr. Harkness) is satisfied with his price support policy for farm products because he has been able to dispose of, or to diminish, the stocks of pork we had in storage.

[Mr. Boulanger.]

If I remember well, that was not the object of the legislation when the agricultural stabilization act was passed. The object was to establish prices related to the cost price, as according to the legislation the government wanted to hand back to the farmers the share in the national revenue to which they were entitled. The minister is not at all acting in accordance with the spirit of his own legislation. He does not want to protect the farmers. He wants to get rid of surpluses, and in order to prove what I am saying, I shall quote some figures from the production cost index for farm products.

(Text):

In so far as the index numbers of farm prices of agricultural products are concerned, if we take the month of March, 1959 we find the index stood at 441.4, while in the same month this year it was 426.3, a decrease of 15.1 per cent. If we take the price index of a number of commodities and services used by farmers—I have the figures for January, 1960 for all of Canada—we find the index stood at 266.7, while in January of last year it was 269.5. The index of commodities and services used by farmers has increased, while the prices the farmer has received have decreased. This is the situation of the farmer and of the hog producers throughout the country, especially in western Canada where the price of hogs went as low as $16 per hundred pounds.

I say to the minister that was not the policy we adopted under the stabilization board. I have a few other questions to ask the minister. Can he tell us how many pounds of pork and pork products have been imported from the United States since the lifting of the embargo on February 8, 1960?

Mr. Harkness: I have not got the figures here but I believe practically no pork has been imported from the United States since the lifting of the embargo. If there has been any, it has been an extraordinarily limited quantity. When you take into consideration the duty and shipping charges, and particularly when you take into consideration the quality of United States pork, the conditions have not been such as would lend themselves to the movement of United States pork into this country during this period.

I am sorry to hear the hon. member is accusing me of not wishing to support the farmers. He says that all I am interested in is reducing the surplus. This is completely incorrect, of course, and I think all the farmers in the country recognize that we are concerned to secure for them the best prices possible. Our whole work under the stabilization board has been concerned with returning to the farmer as good a price as we could

possibly get for him over a period of time. To maintain an incentive price which causes a very large production, much more than can be marketed, does not help the farmer from the long term point of view. As a matter of fact, this creates a situation in which the farmer is going to take a very severe loss. The best way of stabilizing the farmers' income and maintaining a reasonable income for them in connection with any particular product over a period of time is to ensure that the production of that product is not greater than the amount we can market. Once we get into a position where production is considerably greater than the amount we can market then eventually the farmer is going to have to take a severe cut in price at some time and he will suffer accordingly.

In order to avoid a situation of that sort we changed the method of support for hogs. As I have indicated, and contrary to what the hon. member has been saying, the prices of hogs have not dropped very much below the support levels. He said that in western Canada they did drop to low levels. Actually in western Canada the average prices received for hogs in the first three months of this year were less than the differential which had existed under the old method of support by purchase, as compared with prices in eastern Canada. Had deficiency payments been made at the end of April the amount which would have been received by Manitoba and Saskatchewan hog producers would have been more on the national average basis than on the regional average basis. If the regional average basis had been in effect Manitoba would have received a payment of $1.97 a hundred and Saskatchewan $1.82 a hundred, whereas on a national basis they would have received a payment of $2.10 a hundred. In other words, the idea which the hon. member apparently had that prices in western Canada fell away lower than they did in eastern Canada is just not correct.

(Translation):

Mr. Boulanger: The Minister of Agriculture knows very well how to dodge our questions. He quoted some figures which had nothing to do with my question. The point I wanted to make, and I did mention it, was that the Agricultural Stabilization Act which was passed in 1958 did not tend to protect farmers' revenue, but to put a stop to surpluses.

I have here a list of prices which I received from the Minister of Agriculture. I mentioned before that the price of bacon from 1947 to 1956 inclusive, was $27.16 per 100 pounds, while from 1957 to 1959, that price had fallen to $26.19. However, as I said earlier, production costs had increased, whereas prices have gone down. And people try to make our farmers believe that they are protected by our passing a law on farm prices support.

That is the point I wanted to make; but, as usual, when I submit some arguments which he cannot refute, the minister circumvents the question.

(Text):

Mr. Harkness: I must say, with all respect, that the hon. member never brings forward an argument that I cannot contradict. He says he is asking a question when, actually, he is making a statement which is, in most cases, not supported by the facts. He stated the stabilization act was not passed with the idea of helping farmers. Nothing could be farther from the truth. I think there is nobody, probably even in this chamber, who believes that statement. The stabilization act was passed with the idea of improving the general income position of farmers. It has proved extremely beneficial in that regard.

At one time the hon. member was complaining about the amount of money we had paid to farmers under the stabilization act. Last year we paid in the neighbourhood of $57 million to farmers under this act in order to support the prices of agricultural products. The hon. member was complaining about the amount of money we were spending—

Mr. Martin (Essex East): Oh, no.

Mr. Harkness: Oh, yes.

Mr. Martin (Essex East): On a point of order, Mr. Chairman; I remember what the hon. gentleman said. What he said was that he was sorry more of that money did not go to the farmers; that is what he was complaining about.

Mr. Harkness: As a matter of fact all the benefit of the $57 million went to the farmers. Actually the farmers got the benefit of at least two or three times that amount. So far as dairy products alone are concerned, for example, in the calendar year 1958 we made expenditures to support dairy products in the neighbourhood of $10 million or $12 million. The prices which the farmers received for their dairy products were at least $90 million to $100 million more than they would have received had this support not been in operation. In other words, the actual amount of money which is spent under the stabilization act is no measure of the value of the act to the farmers so far as an increase in income is concerned and the case of the dairy farmers is an outstanding example of that. The world price of dairy products is about half what it is in Canada.

Were it not for the stabilization act and the prices we guaranteed under it for dairy products, the prices dairy farmers would have received during the past two years to three years for their dairy products would have beeen very much less than those they received. As I say, in that one calendar year 1958 the amount would have been about $90 million to $100 million less than they actually obtained.

(Translation):

Mr. Belzile: Mr. Chairman, before item No. 10 is adopted, I should like to say a few words about it.

Before dealing with the suggestions I propose to make to the Minister of Agriculture (Mr. Harkness), I should like to point out to the house that I deeply regret the harsh words which the hon. member for Drummond-Arthabaska (Mr. Boulanger) said, a moment ago, about the Minister of Agriculture, i.e. that the policy of the Department of Agriculture tended to prevent the accumulation of surpluses rather than help farmers.

For my part, I feel that the Minister of Agriculture is doing all he can to help the agricultural class in all respects and particularly in regard to farm prices stabilization.

I am not afraid to say that, if I had been Minister of Agriculture, having to dispose of a surplus of 78 million pounds of butter, I would have hesitated a few days before deciding to maintain the support price on butter at 64 cents a pound for the current year until May 30, 1961.

I believe that because of this decision, the federal Minister of Agriculture certainly did not deserve to be accused of working for the reduction of agricultural production, rather than for the agriculture class generally.

Personally, I am happy to congratulate the Minister of Agriculture for the wise decision he took about the price of butter. I participated actively in this request because I was among those who asked the Minister of Agriculture for special consideration on this matter. I was glad to see that he responded favourably to our pressure. On behalf of all the agricultural class of my province and of the country, I wholeheartedly thank him for that.

And now, Mr. Chairman, there is another product which comes under the ambit of the agricultural stabilization act. I refer to wool.

It is estimated that last year's production is slightly over that of 1958, which was 5,755,556 pounds.

If this happens, the Canadian wool production will have increased for the second consecutive year. In 1957, a total of 4,112,000 pounds were sold.

[Mr. Harkness.]

The improvement in the wool market in 1959 resulted in a general price increase, and in an immediate drop of 7 cents a pound in the deficiency payment.

According to the daily DBS bulletin dated March 6, 1960, wool production in Canada went up from 7,624,000 pounds in 1958 to 8,287,000 in 1959, or an increase of 8.7 per cent. Between those two years, the shorn wool production went up from 6,345,000 to 6,800,000 pounds and the pulled wool production from 1,279,000 to 1,487,000 pounds.

From 1958 to 1959, Canadian wool exports increased from 4,002,000 to 5,002,000 pounds (greasy wool basis) and imports rose from 42,209,000 to 51,492,000 pounds.

If stocks had remained the same, Canadian consumption in 1959 would amount to 54,777,000 pounds, that is, an increase of one fifth over the 45,831,000 pounds of the previous year.

In the light of all the figures I have just quoted, it would seem that the value of the product has helped improve our domestic market and our markets abroad, in such a way that the margin of deficiency prices has gone down 7 cents a pound, as compared to last year.

I think this figure is an indication that it would be a good thing to broaden the scale wool production and, consequently, of sheep breeding.

In the province of Quebec—and I am convinced it is the same in several areas of Ontario and of the maritimes—certain farmers find sheep breeding a paying proposition.

Rocky farms which produce very little and are very costly, are ideal for sheep breeding.

Sheep breeding is not very costly. In fact, the cost of buildings is low; the required manpower is not large; the operation involves very little expense. Therefore, in my opinion, it would be a good thing to encourage sheep breeding.

Now would be the time—and it would be good for agricultural economy in general—for the federal government, in co-operation with provincial governments, to launch an intensive propaganda program for the information of our farmers, at least for those who would be interested in sheep breeding and for those whose farms would be suitable to that type of breeding. It would be a good thing, as I say, to organize such an educational program to promote sheep breeding.

I am convinced that the federal and provincial departments of agriculture could devise an educational program which would

advantageously meet the needs of our farmers and of the people of Canada in general.

(Text):

Mr. McMillan: I just want to ask two or three questions. I was wondering whether the annual report for 1958-59 of the agricultural stabilization board is the last one or whether there is one for 1960 as well?

Mr. Harkness: No. The 1959-60 one is not out yet.

Mr. McMillan: This is the last one I have and I did not know whether there was a later one.

Mr. Harkness: The last one was the one for 1958-59.

Mr. McMillan: At the end of March 31, 1959 inventory for commodities on hand was $66 million. I just want to ask the minister what the amount was as at March 31, 1960.

Mr. Harkness: What page were you reading from, if I may ask?

Mr. McMillan: From the 1958-59 report, about the second page; they are not numbered.

Mr. Chairman, there are one or two other questions I will ask at the same time. I was wondering how in the non-mandatory commodities the price supports or deficiency payments were arrived at. I notice in some cases that the support prices are as high as 112 per cent of the ten-year average and they drop down to 80 per cent of the ten-year average. I am not finding fault with any particular one of these, but, for instance, wools are 110 per cent and I think there are some other commodities which go up as high as 112 per per cent.

I would also like to know why most of these commodities have a support price while in the case of asparagus grown in my particular part of the country there is a deficiency payment of three cents under 18 cents. I know that if the farmer gets 15 cents at the factory and he gets his three cents deficiency payment he will then be getting the support price, or 86 per cent of the ten-year average. But in my part of the country I think, last year at least, the price fell to 14 cents and below 14 cents, so that they were not getting as much as if they had had a support price of 18 cents, which I think the minister did hope the farmers would get at that time.

Mr. Harkness: As far as asparagus is concerned there was no support price last year.

Mr. McMillan: No, a deficiency payment.

Mr. Harkness: The asparagus growers did not ask for a support price last year so apparently they did not want one.

As far as the stocks held by the board as at March 31, which I think was the date the hon. member asked for, we had at that time 63.7 million pounds of butter. There seems to have been a general idea that we were holding at that time, or subsequent to that time, something in the nature of 75 million or 78 million pounds of butter. I believe one hon. member mentioned 78 million pounds a little while ago. But that is not the actual fact. We were holding as at March 31, 63.7 million pounds. The total stock in the country was about 75 million to 78 million pounds. Naturally there are always several million pounds being held by wholesalers, retail stores, and so on. As far as eggs are concerned we did not have any. We held five million pounds of dried skim milk; 1.5 million pounds of cheese; 2.6 million pounds of raspberries; 33.5 million pounds of frozen pork cuts; 97 million pounds of canned pork—these are all round figures to the nearest one hundred thousand—and 8.3 million pounds of canned hams. These were the stocks held by the stabilization board as at March 31.

Mr. McMillan: Only one other question, Mr. Chairman. I asked the minister how they arrived at the support price of the non-mandatory commodities. In some cases they reached 112 per cent, 110 per cent, 90 per cent, 95 per cent, down to 80 per cent. I was wondering how these prices were arrived at.

Mr. Harkness: The level of support for any of these commodities is arrived at, first of all, on the basis of attempting to give to the farmer his cost of production; then in addition to that, as much above the cost of production as conditions will warrant. The best example is the one which the hon. member for Matapedia-Matane mentioned, sheep. The support price of wool is over 110 per cent and the reason is, as the hon. member mentioned, that we produce a relatively small number of sheep in Canada. It is one of the few agricultural products for which we can afford to increase production. In fact, to have a good, well-rounded agricultural economy we should be producing more sheep in Canada. Therefore we have set a relatively high support price on wool. This is one of the factors you have to take into consideration in setting a support price.

Another very important factor is whether the product can readily be stored or not. As all hon. members realize, there is only a certain amount of cold storage in the country and you cannot afford to pay a support price which will cause a terrific pile-up of a perishable commodity just because you have no place to store it. Therefore the perishability of a commodity and the amount

of storage available are factors to be taken into consideration in setting the support price. There are probably a dozen different factors which you have to consider in arriving at the level of support which you provide. But as I say, our effort throughout is to provide in every case as high a support price as we can possibly provide, at the same time preventing a unmanageable surplus of the commodity building up.

Mr. Argue: Mr. Chairman, I have a few brief general remarks to make on this item having to do with the Agricultural Stabilization Act. The legislation under which the board operates was passed in this House of Commons on January 25, 1958. It was heralded at that time by the Conservative party and by some farm organizations as being the type of legislation they had been wishing to obtain for many years. They said that at long last they had written into this act a formula which would put a basic minimum floor price under agricultural commodities.

This is not the position taken by the farm organizations today. They realize that this act does not provide a basic minimum floor price below which products cannot fall. This 80 per cent formula which was written into the act in clear English, which I believe any student of the English language would say that if the act were carried out would give producers 80 per cent of a base price on the commodity as a basic floor, is not being followed at this time.

I am not going to argue, and I am not arguing, in favour of large surpluses of eggs, pork, or any other commodity being maintained on an indefinite basis. If there are large surpluses of these products on hand from time to time, then action must be taken to move them into consumption channels either at home or abroad. The minister has said that the old support prices of the former administration, or that kind of method of support, was the thing that led to increasing storage of many agricultural commodities and that the way to take care of this surplus production was to bring in a method of deficiency payments.

I do not believe for one moment that it is the method which has anything to do with the question of the amount that farmers are producing. I think farmers are intelligent enough to know that it is just a question of names; whether the method be called a deficiency payment or a support price makes no difference. What in fact matters is the return to the producer on the grades and the quantities which the farmer has to sell. So it is not a question of technique; it is not a question of a deficiency payment being the best kind of technique; it is that under the deficiency payment technique the government has established a policy which pays the producers of this country less for their products than they were led to believe would be the results of this legislation. In other words, in my opinion this act as enforced today is proving to be a great hoax as compared with the act which was passed in this house in January, 1958, and what was said about it at that time.

The minister has said that bringing down the deficiency payment on pork has resulted in a decrease in pork production of 16 per cent. The only reason producers of pork will restrict production by 16 per cent is because they feel they are going to get less.

Mr. Benidickson: They sold out at panic prices.

Mr. Argue: Yes, I am wondering about that. I am wondering who made the killing on this type of technique which the government used. However, the producers have reduced production by 16 per cent and the government's deficiency payment technique brings this about precisely because the payments which are being made and which will be made are less than would be paid under a basic support offer to purchase. The minister's own words make this very clear, because he has said that under this particular type of so-called support, Saskatchewan, for example, if I have the figures right, would receive $1.90 a hundred. I do not wish to quote the minister incorrectly, and if I do so it is by inadvertence. Under the other type, they would receive $1.82. That amount of money has been lost to them and I say it has literally been stolen from them and that they have been deprived of something they were told would be theirs under the act.

The government has used its so-called deficiency payments technique, not to provide farmers with a support price under the act but to force the market price downwards—allow it to go downwards—to the point at which the producers have been deprived of something which they felt was rightly theirs under the act.

I have discussed in this house with the former minister of agriculture the type of support prices he used. His offer to purchase was, in general, an offer to purchase from the trade and the price was not always paid to the producers. But I can say—and I say this very frankly—that the percentage of farmers who lost money under the former method is far less than the percentage of farmers who are losing money under this method. This is not using a deficiency payments technique as it was known to us. This is a cold, callous, deliberate attempt to tear

up, if not the letter, then certainly the spirit of the act which was passed by this parliament.

There would not be 47 Conservative members of parliament here from the prairies if the farmers had known that the bottom would fall out of the hog market under this administration; if they had known that 15 cents would be the price of grade A large eggs at certain times and that the deficiency payment on them would be some six cents a dozen. If this had been known there would not have been a corporal's guard from the prairies on that side of the house. But the people of the prairies were told by this government: we have placed a formula in this act which you can read for yourselves; it shows that we are not going to allow support prices to go below 80 per cent of the average price for a ten-year period.

There were other things, besides, placed in that act which have since proved to be misleading. I refer particularly to the provision that the support price would be based on cost of production. We have been trying to find out what studies have been undertaken with regard to cost of production. We have not been able to find that out, and we suggest that this is another part of the act which has not been fulfilled. It is certain that the minister has accomplished his objective to destroy production, or a substantial part of production. It is perfectly true that his actions have resulted in the demoralization of the poultry and egg industry in this country to the point where production is declining, and the forecast is for still less production. That, the minister has accomplished. But in doing so he has broken faith in my opinion with the producers of western Canada.

There are other complaints about the administration of this legislation. These have to do with the announcement which was made the other day on the support price for butter. The hon. member for Matapedia-Matane who spoke a few minutes ago said he had advocated the retention of the support price on butter. Well, if he had advocated it, it was not maintained.

Mr. Martin (Essex East): At last year's level.

Mr. Argue: It was not maintained. The minister was not frank enough to tell the house when he was making the initial announcement just what the effect of this new policy would be. The country was led to believe that there was a 64 cents a pound floor under butter as there had been before but, of course, that is not what is taking place. The government has changed the basis of support by changing the basis upon which the 64 cents is provided. As I understand the former policy it was to pay a 64-cent floor price on butter which scored 39-92. The policy now is to pay a 64-cent floor price on butter if it scores 40-93. The 64-cent figure is there but the grading arrangements under which a support price of 64 cents a pound has been paid have been changed and this in fact means a very substantial reduction in the farmer's support price.

In a statement on this question in the *Western Producer* of April 28 the writer had this to say:

> The joker in the minister's speech is where he says "scoring 40-93." Only 30 per cent of Canadian butter eligible for the 64-cent floor last year scored 40-93. This means the government will reduce by 70 per cent the amount of butter eligible in the year commencing May 1.

Why was that not in the statement? This article is appropriately entitled, "Let's Have It Straight, Doug".

Mr Martin (Essex East): Was the article by Mr. Hedlin?

Mr. Argue: It appears on the editorial page of the *Western Producer* for Thursday, April 28, 1960 and the author's name is not given.

The minister is very agile with figures. He will not admit any more than his predecessor would that when farmers are receiving lower prices and getting less money, this is in fact the case. The minister will not admit that deficiency payments mean less money. When I sit down I am sure the minister will stand up and say, "Even though the farmer's price is less, even though the market price is less than the support price, and even though at the end of a given period of time the farmer will receive nothing by way of deficiency payments, this does not mean less money to the farmer." The minister may fool some hon. members of this committee but he does not fool the agricultural producers.

An hon. Member: And the hon. member for Assiniboia does not fool us.

Mr. Argue: Not only does the deficiency payment technique mean less to the farmers than they are entitled to by law in my opinion and less than they are entitled to by statements made by hon. members of the government including the minister when this legislation was debated in the house, it means that for grades for which there is no support price the farmer is getting less money because deficiency payments are not provided on all grades. When a farmer is paid for lower grades he gets usually a certain proportion of the higher grades. When

the price of the higher grades falls it brings down the price of the lower grades.

I have examined the submission of the Canadian Federation of Agriculture presented to the government on the question of price supports and the technique followed. In the proposals they suggest that the offer to purchase method means more in the interests of the producer than the method used by the government. The federation speaks for a large part of the farm organizations of Canada. They are not satisfied with this policy.

When the Conservatives were elected in 1957 and re-elected in 1958 some of us thought that with so many new and young members the Conservative party would be different from the old party of the days of R. B. Bennett. It was thought it might become a truly "progressive" Conservative party. We have seen the government in operation for about three years. There is substantial evidence to show that the voices of the members who first wished reform and improvement are being silenced and diminished. The voice of the old reactionary Tory element in the Conservative party is again coming to the fore.

The old Tory policy is the order of the day. That policy is to get rid of price supports as such. That policy does not seek to provide a floor on the market. That policy aims to throw everything possible on the open market. That is the technique being used today: dump eggs and hogs on the open market without any offer to purchase or floor price; turn the farmers back to the tender mercies of the packing companies and let them fend for themselves. In order to give the policy an appearance of being open and to conceal from the producers what is being done, let us talk about the deficiency payment technique and say it is wonderfully successful in curtailing production and reducing surpluses but let us not mention what is happening to the economic returns to the producers of these products.

I do not want my remarks to be taken as opposition to a deficiency payment made as I believe it should be under the terms of this legislation on the basis of a specific grade and the price the farmer receives for that grade of commodity when he takes it to market and not on the basis of averaging out the price which means that approximately 50 per cent of the product will be sold below the price and the farmers themselves have no guarantee of receiving a just price.

If the minister would say to the producer, "We will provide you with a deficiency payment that will bring a return to you for each grade you sell that is being supported, by the difference between the price you receive and the support price," there would be no objection. But the government says, "Throw it on the market, we will not keep a precise record of the amount you receive for each grade and pay you on that amount but will take the averages and pay you on them." This means the producer does not receive the money provided for under this legislation.

I have said in this chamber as well as to farm organizations on previous occasions that I think it is a shame in a democratic society that a government should bring before parliament legislation which reads in a certain way and tell the producers affected they are entitled to certain basic minimum guarantees on their produce and then by a back door undercover method deny the producers the things to which they believe they are entitled under this measure. In spite of the references made to any other department I do not think the government is carrying out the spirit or the letter of this act. Mr. Chairman, I see that it is five o'clock.

The Chairman: It being five o'clock it is my duty, pursuant to section 3 of standing order 15, to rise, report certain resolutions and request leave to sit again later this day or at the next sitting of the house as the case may be, in order that we may proceed to the consideration of private and public bills.

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

The Acting Speaker (Mr. Rea): It being five o'clock the house will proceed to the consideration of private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

PRIVATE BILLS

Mr. Mandziuk: Mr. Speaker, I should like to ask for the unanimous consent of the house to deal with three private bills, namely Bill No. S-22, to incorporate Laurentide Finance Company; Bill No. S-23, respecting International Loan Company; and Bill No. S-18, to incorporate Adanac General Insurance Company of Canada.

The Acting Speaker (Mr. Rea): Is the house willing to give unanimous consent that these three items be referred to the committee of the whole in one motion?

Some hon. Members: Agreed.

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. S-22, to incorporate Laurentide Finance Company.

INTERNATIONAL LOAN COMPANY

The house in committee on Bill No. S-23, respecting International Loan Company—Mr. Smith (Winnipeg North)—Mr. Rea in the chair.

On clause 1—*Change of name.*

Mr. Benidickson: Would the sponsor indicate whether or not this company is an affiliate of some other well known company in the finance business and is it a company that will operate under the Small Loans Act? I have not a copy of the bill.

Mr. Smith (Winnipeg North): International Loan Company is a company operating primarily in the greater Winnipeg area and in western Canada. It is solely concerned with the first mortgage field. The reason it is changing its name is that in the past it has been confused with companies operating under the Small Loans Act whereas it is engaged exclusively in first mortgage loans.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

ADANAC GENERAL INSURANCE COMPANY OF CANADA

The house in committee on Bill No. S-18, to incorporate the Adanac General Insurance Company of Canada—Mr. Halpenny—Mr. Rea in the chair.

Clauses 1 to 8 inclusive agreed to.

On the preamble—

Mr. Regier: Before we finally finish with this bill, may I say that it was considered by the banking and commerce committee. In effect this company will have to do with people who are buying used cars and who have some difficulty in obtaining insurance if they purchase over the week end. I hope this company, which is being granted the right to operate, is not going to insist that people buy their insurance from this company or be denied the right to purchase a car in the normal manner. I hope the officers of the company will exercise discretion in this regard and not take advantage of purchasers.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

JEAN BRASGOLD MARTZ

Mr. Nicholas Mandziuk (Marquette) for Mr. McCleave) moved the third reading of Bill No. SD-43, for the relief of Jean Brasgold Martz.

Mr. Frank Howard (Skeena): Mr. Chairman—it is so seldom that I see you occupying that particular position, sir, that I referred to you as Mr. Chairman. Mr. Speaker, I am very pleased to see you presiding over the affairs of the house. There is one thing I should like to mention with respect to the bill now before us for third reading. I wish to indicate that later, on the basis of the remarks I will make, I intend to move a certain motion and the remarks I am about to make will lead up to that motion. I should like to refer to the petition for this divorce, which petition is dated December 10, 1958. In clause 6 thereof certain information relating to adultery and the time that adultery is supposed to have taken place is given. That clause reads as follows:

That for the past eight (8) years and—

This is the important part.

—in particular on the 1st day of December, 1958, at the city of Montreal, in the province of Quebec said ... has committed adultery with one ... who resides at ... Montreal, Quebec.

An address is given where adultery is alleged to have taken place. I repeat the words, "in particular on the 1st day of December, 1958". From a perusal and reading of the evidence submitted to the Senate committee, with which we dealt extensively in the committee of the whole in considering this particular bill, I submit that that portion of the petition which says, "in particular on the 1st day of December, 1958", has not been proved because of the time element involved in the evidence given by the investigators themselves. They said that only a few minutes elapsed between the time, as they put it, the lights went out and when the respondent answered the door.

I could quote from the evidence on page 12 with reference to that. Mr. Peter Rosen, an investigator, appeared as a witness for the petitioner, and said this:

Shortly after that—

This is after some preceding occurrences.

—about a quarter to twelve, all the lights were out upstairs. Mr. Golden and myself, we went up to the door and we rang the bell. It took a few minutes and a man—the light came on in the vestibule and a man came to the door and he opened the door

Following this they entered the premises and viewed certain things upstairs, the cushions on the bed and things of that nature. I submit, Mr. Speaker, in view of the evidence given about the time element,

Division

the point about adultery in particular on the first day of December, 1958 has not been proved. From the other evidence given here, however, namely the admissions of the respondent and corespondent, as given in evidence by the investigator, to the effect that they had cohabited as man and wife for some nine years, there is indication that adultery could have taken place and probably did over that period of time.

However, the allegation in the petition, "in particular on the 1st day of December, 1958" is not proved, and in this regard we should keep the two coupled together. I suggest the reference in the petition should be removed and the petition amended, just as amendments are made in other petitions from time to time when there are inconsistencies in the petition with the evidence given. In this regard, I feel it would be only proper that the bill be referred back to the miscellaneous private bills committee in order that they may reconsider this particular point and bring the petition more into line with the evidence given before the committee of the other place. Then, the bill could be proceeded with, not on the basis of adultery having taken place in particular on December 1st, 1958, but on the allegation that over the last eight years, because of the common law arrangement, adultery took place during that period of time.

To this end, I would move, seconded by the hon. member for Timiskaming (Mr. Peters):

> That this bill be not now read a third time, but that it be referred back to the miscellaneous private bills committee.

The house divided on the motion (Mr. Howard) which was negatived on the following division:

YEAS

Messrs:

Argue	Howard
Badanai	Peters
Batten	Regier
Benidickson	Winch—9.
Herridge	

NAYS

Messrs:

Aiken	Cooper
Baldwin	Creaghan
Bell (Carleton)	Crouse
Bell (Saint John-Albert)	Danforth
Bigg	Dinsdale
Brooks	Doucett
Broome	Fairfield
Brunsden	Fane
Campbell (Stormont)	Fleming (Eglinton)
Cardiff	Fleming (Okanagan-Revelstoke)
Carter	Forbes
Casselman, Mrs.	Green
Charlton	Gundlock
Churchill	Halpenny
Clancy	Hamilton (Notre Dame de Grace)
Hanbidge	McIntosh
Harkness	McLennan
Henderson	Mandziuk
Hicks	Montgomery
Hodgson	Muir (Cape Breton North and Victoria)
Horner (Acadia)	Nowlan
Jones	Nugent
Kennedy	Pearkes
Kindt	Phillips
Lambert	Pugh
Macdonald (Kings)	Rapp
MacEwan	Regnier
MacInnis	Robinson
MacLean (Queens)	Rogers
MacLean (Winnipeg North Centre)	Simpson
Macquarrie	Skoreyko
MacRae	Smallwood
McFarlane	Smith (Lincoln)
McGrath	Smith (Winnipeg North)
McIlraith	Speakman
	Spencer
	Thomas—72.

The Acting Speaker (Mr. Rea): I declare the amendment lost.

Is it the pleasure of the house to adopt the motion?

An hon. Member: On division.

Motion agreed to, bill read the third time and passed on division.

LILY SCHUCHER COHEN

The house in committee on Bill No. SD-44, for the relief of Lily Schucher Cohen—Mr. McCleave—Mr. Rea in the chair.

The Deputy Chairman: Shall these 51 divorce bills be taken as one item?

Mr. Peters: I wish to speak on Bill No. SD-44.

The Deputy Chairman: Bill No. SD-44.

On clause 1—*Marriage dissolved.*

Mr. Peters: Bill No. SD-44 is a petition for the relief of a couple living in the province of Quebec in the city of Montreal. On reading the petition, paragraph 7, we find that it charges adultery in an hotel. In this particular case we have the evidence of two witnesses in the form of private detectives by the names of Peter Rosen, age 38, of Montreal and Abe Golden, age 52, of Montreal.

In this particular case we have the type of case with which we are particularly concerned because it obviously involved collusion and many of the things this house should not agree to in the granting of these divorces. It is pointed out, as you will note from the evidence, that this couple broke up their marriage in February, 1959. In March, 1959 they petitioned parliament and the hearing was held in January, 1960. This gives them approximately 11 months in which to obtain the money for this divorce. As we look

through the evidence it is obvious—or certainly it is obvious to me—that as to the $700 which she might have collected and might have been able to save, if she were able to save one quarter of her whole income, the total would have amounted to only $770. As I said, the couple were married in the city of Montreal. The plaintiff was represented by Mr. Blank and he began his questions in relation to the picture as follows:

Q. Is it a good picture of him?
A. Yes.
Q. Do you remember approximately when that was taken?
A. Approximately three years ago. (Photograph filed marked exhibit No. 2).

The questioning continues and we come to the part of the evidence which interests us:

Q. Were there any children born of this marriage?
A. No.
Q. When did you separate from your husband the last time?
A. Last year, February 1959.
Q. Did you ever separate before that?
A. Several times.
Q. What were the reasons for the separation?
A. He used to tell me that he went out with other women and he bragged about it.
Q. You separated three or four times before the final separation last February?
A. Yes.

They have already, in my opinion, built up the fact that the application for a divorce was inevitable and that anything which may have happened was only the conclusion of a decision they had taken on at least two or three separate occasions. The evidence continues:

Q. Do you know anything about the adultery alleged in paragraph 7, other than what I have told you.
A. No.
Q. Did you condone this adultery in any manner?
A. No.
Q. Did you have anything to do with arranging any adultery or any collusion?
A. No.

By Senator Bradley:

Q. Your husband's name is Joseph Cohen, isn't it?
A. Yes.
Q. That is his true name?
A. Yes.
Q. In the marriage certificate there is a reference to one Joe Cohen?
A. Yes.
Q. That is the certificate that you received from the clergyman when you were married to your husband?
A. That is right.
Q. That is one of the names by which he is known?
A. Yes.

By Senator Barbour:

Q. Were you going to school when you were married?
A. No.
Q. How old were you when you got married?
A. Eighteen.
Q. Did you start and keep house by yourselves?
A. Not right away. I lived with his parents at the beginning for about a year.

Q. Have you been working since you were married all the time?
A. Yes.
Q. You continued to work right along?
A. Yes.

By the Chairman (Senator Cameron):

Q. From the very beginning?
A. Yes.

By Senator Bradley:

Q. How long is it since you and your husband separated?
A. The last time was last February, 1959.
Q. Have you had any associations with him since of any kind?
A. No.
Q. None at all?
A. No.
Q. You didn't plan this divorce between you, did you?
A. No.
Q. You will not forgive him for what he has done?
A. No.

Then we get to what I consider to be an important part in a number of these divorces. We have often mentioned the fact that we have been told in the miscellaneous and private bills committee that the average for divorces costs $2,500 in the manner in which they are handled in the Senate and the House of Commons. This becomes quite important in my opinion, because it would obviously indicate some agreement between the two parties if the money did not come from a wife who was applying for divorce. Therefore we have this type of questioning which tends to establish that the woman paid for the divorce yet there is no opportunity to decide how she could possibly have paid for it with the wages she is reported to be earning. But the question is asked because it is important, and if the answer were in the negative then I am quite sure there would be some difficulty in the Senate committee allowing this divorce to stand.

The question is asked:

Q. Who is paying for the divorce?
A. Well, I am. I want the divorce.

By Mr. Blank:

Q. Are you finished paying for it yet?
A. No.

Mr. Chairman, if we are going to be of the opinion that this woman is paying for the divorce, then I also assume we would have to agree that Mr. Blank is himself financing part of the divorce. I am curious to know what recourse to law Mr. Blank would have if after the divorce is granted he cannot collect his money. I would like to know whether he would have some redress to the court who gave the decree. It also raises the question, I would imagine, how many of these divorces are paid for in this way, and whether there is a payola racket going on where the detective gets some money, the lawyer gets some money, and

there is a pay-off between them. It would seem odd to me that a legal firm handling this type of divorce would do it on the instalment basis and would be interested in coming to parliament to ask for divorce until they had a sizeable amount paid in advance.

Senator Bradley asked a question that I am interested in in relation to the problem. He asked:

Q. The liability is yours? You have to do the paying?
A. Yes.
By the Chairman (Senator Cameron):
Q. You said there were several separations before?
A. Yes.
Q. How soon after you were married did the first one take place?
A. About a year and a half.
Q. And the reason?
A. He used to go out with other women and he used to tell me about it.

This is the whole situation, in my opinion, as far as this divorce action is concerned. We have already the information that warrants a separation, and it is my opinion that what follows is only of necessity in obtaining the evidence that the other place has requested and has really nothing to do with the circumstances. Questions are asked—this is the method they used—of Mr. Peter Rosen, who lives in Montreal and who represents himself as an investigator. He is asked:

Q. Will you tell the committee what you know of Mr. Joe Cohen's habits and activities during the month of March, 1959?

A. Well, I investigated his conduct during that month until March 30, 1959, inclusive. During that time I saw Mr. Cohen on several occasions and I also saw him in company of one certain young lady that he saw on four different occasions during that time of investigation. On March 30th he left his home at approximately 8 p.m. and he drove down to St. Urbain street in the neighbourhood of where his girl friend was living. This young lady was standing in front of her door, in front of 5230 St. Urbain street. She got into the car with Mr. Cohen and they drove down town. They went into a restaurant and they were there until about 9.30. They then came out and drove up on McGill College avenue just above Burnside, and Mr. Cohen parked the car and I saw them both getting out of the car and they went into the Campus hotel on McGill College avenue. I waited a minute or so until they were just about inside the hotel and I followed them in. I saw Mr. Cohen speaking to the man at the desk and then they both went upstairs and they went into room 427 in the hotel. I waited on the same floor for about five or ten minutes and I couldn't hear anything and I didn't see either one of them coming out of the room, so I went downstairs to the lobby and I called my man. He met me shortly after 11 o'clock. It was about 11.30 when he arrived and we both went up to room 427 and I knocked at the door and it took a few minutes and a man's voice asked, "Who is it?" and I told him I was the desk clerk and I wanted to speak to him for a minute.

Again we have this same problem. This young man is out with a girl. He is supposed to have met the young lady on four previous occasions. They go to a hotel and get a room. I presume he had no baggage. It does not say he had. Therefore, he had to pay for his hotel room before he got it. That is in keeping with the policy of most hotels I know; people coming in without luggage have to pay in advance. So he pays his bill and goes up to his room. A rap comes on the door, and the desk clerk appears. What happens? I think everyone knows what would normally happen—nothing. Absolutely nothing would happen at that door until the parties inside were dressed and ready to leave the room. I am positive of that.

An hon. Member: How can you be positive?

Mr. Peters: I am positive. The hon. member implies that if someone were to rap on his hotel door in the wee hours of the morning he would come out in his shorts or whatever he happened to be wearing. I would not. I have had experience in hotels. I was a salesman, and a traveller on the road and I visited many hotels, and I would not be wandering around in my b.v.d.'s if someone rapped on the door, and this was when I was alone. If there were two people I can give a complete assurance that the door would not be opened. The evidence continues:

As that happened my man and I pushed the door and we were into the room. It was a very small room and the man started to yell and wanted to know what it was all about.

He should have found out by yelling what it was all about before the door was opened and the man came into the room.

An hon. Member: He could have jumped out of the window.

Mr. Peters: Yes, I know people who have done just that in the same type of situation. When a rap came on the door they jump out the window. But I know of no one who opened the door. The report goes on:

I showed him the picture I had with me and I asked him if that was his picture and if he was Mr.—. He admitted it was and that he was Mr.—and I told him then we were acting on behalf of his wife.

The woman I saw earlier with Mr.—was lying in the bed and she was covered with a blanket. I then asked the woman for her name and Mr.—at first told her not to say anything. He said, "Do you have to have her name?" and I said yes. He said, "Will she be in any trouble of any kind?" and I said, "There is no trouble, just that we have to have her name and address." And she told me her name was—and that she lived at 5230 St. Urbain Street.

I do not think that was honest, because I do not think he could have given that kind of assurance that there was not going to be any trouble. If he could have done so then he was not going to prove that adultery was taking place. In any case, I suggest that the circumstances—the presence of a young lady who is not too much against giving her name

when she is asked, after a little pressure—seem to indicate an alliance was reached only for the purpose of maintaining the adultery charge necessary to the granting of a divorce.

The fact that the two people were found in a state of undress is an indication to me that this evidence is a plan with a view to the granting of a divorce. Then the detectives go on, as they must, to say something about it. I think all hon. members will agree that there is no indication that adultery did in fact take place. This could have been established in a number of ways. With the permission of the corespondent they could have asked whether adultery had taken place; they could have given the warning which is necessary and then asked the questions which would have established it. But they tried to do it in another way. The evidence goes on:

> We noticed the bed she was lying in had two pillows and it was pretty well disarranged. Also we noticed some women's clothing on the chair near the bed and some man's clothing on another chair on the opposite side of the room.

I fail to see how that shows that adultery had taken place in this case. I also think it is surprising that in the limited length of time available so much was observed. No attempt was made by the investigators to indicate that the lady was a prostitute or a common street walker. It is stated that the man had gone out with her a number of times that month and this, to me, would suggest that he was in the room only for the purposes of this petition and that what took place must have been condoned by the respondent. I am sure Senator Bradley felt there was not enough evidence to warrant bringing this case before the Senate committee. Senator Bradley asked:

> Q. How was the man himself dressed?
> A. He had his pants on but the top part of his body was bare.

Then the lawyer asked some questions, and when he concludes, Senator Barbour indicates the petitioner and asks: "Is this the lady who was in the room there?" To which the answer is: "No".

This evidence is substantiated by the second witness who is, I presume, no more reliable than the other. These are witnesses who appear before us with great regularity. The evidence is always the same. They always, without exception, see either two pillows or two cushions on the bed. They always have the man's clothing on the one chair and the woman's on the other. They always have the woman covered up with a blanket or a sheet. These particular detectives have no imagination at all. They are not like some of the others who dress their young ladies in baby blue pyjamas, or pink nightgowns, or who have people wandering around wearing distinctive housecoats. These particular detectives always have the young lady covered up with a sheet or a blanket, and they are very fussy about having two pillows. The questioning continues and the second witness endorses what was said by the previous one, in large part:

> Q. Did you have occasion to meet Mr. Rosen at approximately 11 p.m. on March 30, 1959 in connection with an investigation of Mr.—?
> A. Yes.
> Q. Where did you meet him?
> A. At the Campus hotel on McGill College avenue.
> Q. Will you tell the committee what you observed when you met Mr. Rosen?
> A. After knocking at the door it was opened by Mr.—and we forced our way in and he was in the room and had trousers on and the woman was in bed.
> Q. Who is he?
> A. Mr.—. And he identified the picture and admitted he was the man in the picture. There was a woman in bed and Mr. Rosen went over to this woman and asked her her name and she said it was—. Mr.—then got nasty and asked us to leave the room, and we left. We didn't want to argue with him.

Perhaps the detective wanted to remove the blanket to see if the woman was wearing baby blue pyjamas or something of that nature. We have only the bare essentials of a setting in a hotel to establish adultery for a divorce case.

Mr. Aiken: Were they covered up?

Mr. Peters: The only suggestion they were not was where the guy got nasty and—

Mr. Aiken: I meant the bare essentials.

Mr. Peters: They appear to have been.

The Senate was concerned about the petitioner's ability to raise money for the divorce. I have no legal training and do not know what argument applies but I assume it is necessary for the petitioner to put up the money for the divorce. If a woman wants to divorce a man she has probably located a prospective husband who is willing to buy her from her husband for the cost of the divorce proceedings. If that is true the going price for women is cheaper in provinces with divorce courts than in those where cases are brought to the House of Commons. The questioning on this point is as follows:

> By Senator Barbour:
> Q. Witness, what salary do you earn a week or a month?
> A. Now, $70 a week.
> Mr. Blank: She is a legal stenographer for one of my competitors.

Mr. Bell (Saint John-Albert): Where is the once great Liberal party?

Mr. Peters: I hope that remark refers to the fact that these cases are being handled

in the House of Commons rather than in the courts of Quebec, but it may not be. I continue:

By Senator Barbour:
Q. Are you able yourself to finance this suit?
A. Oh yes.
By Mr. Blank:
Q. You are still paying it on the instalment plan?
A. Yes. I still owe some.

She must owe quite a bit unless the lawyer and detectives came more cheaply than in most cases. If she saved one quarter of her money a month it would be a good saving allowing her less than $50 a month on which to live. I doubt if she could save more than $70 a month and in a ten-month period she would have saved only approximately $700.

Mr. Brunsden: Mr. Chairman, on a point of order, is this committee legally sitting? Is there a quorum in the chamber?

The Deputy Chairman: The Clerk advises that there are 21 hon. members present; 22 including myself.

Mr. Peters: Mr. Chairman, may I call it six o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, would the house leader indicate the business of the house for the early days of next week?

Mr. Churchill: Mr. Speaker, the announcement I made on Thursday, May 12 at page 3850 of *Hansard* will hold true for Monday and Tuesday of next week. I am not in a position to announce the business for the balance of the week. Does the hon. member wish me to repeat the order of business which appears on page 3850?

Mr. McIlraith: No, Mr. Speaker, there is no need to repeat it if the information is correct.

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:

R.C.A.F. PILOT TRAINING COSTS

Question No. 355—**Mr. Argue:**

What was the approximate cost of training a pilot for the Royal Canadian Air Force in (a) 1940; (b) 1950; (c) 1960?

Answer by: **Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence):**

The approximate costs of training a pilot to "wings" standard in the Royal Canadian Air Force in 1940, 1950 and 1960 are estimated as follows:

(a) $32,000. In 1940 pilots were trained and paid as airmen and graduated as sergeant pilots or pilot officers. The initial and operating costs of the types of aircraft then in use were considerably lower than in subsequent years.

(b) $51,000. In 1950 pilots were trained and paid as flight cadets. The initial and operating costs of aircraft had risen sharply over wartime costs.

(c) $80,000. In 1960 pilots are still trained to "wings" standard as flight cadets but jet training has been added. The initial and operating costs of high performance jet aircraft are much greater than the costs of aircraft used in 1950 and the training is more complex.

UNEMPLOYMENT INSURANCE PROSECUTIONS

Question No. 362—**Mr. Hicks:**

Supply—Items Passed

1. Were any prosecutions recorded during the last year by the unemployment insurance commission in respect to unemployment insurance frauds? If so, how many in each province?

2. How much money was recovered by the unemployment insurance commission from recipients who were found out to be not entitled to benefits?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. There were 1,979 prosecutions completed by the unemployment insurance commission during the fiscal year ending March 31, 1960 in respect to unemployment insurance frauds. There are no figures available by provinces, but the regional figures are as follows: Atlantic region, 269; Quebec region, 756; Ontario region, 552; Prairie region, 201; Pacific region, 201.

2. Money recovered from claimants not entitled to benefits amounted to $2,008,165.65.

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

DEPARTMENT OF AGRICULTURE

Research branch—

5. Branch administration including an amount of $166,610 for grants in aid of agricultural research in universities and other scientific organizations in Canada, $1,856,156.

Institutes, stations, farms, laboratories and services—

6. Operation and maintenance, $21,945,838.

7. Construction or acquisition of buildings, works, land and equipment, $6,470,910.

Production and marketing branch—

8. Branch administration including contributions to agricultural organizations to assist in the marketing of agricultural products, subject to the approval of treasury board, $908,741.

9. Agricultural products board administration, $10,000.

HOUSE OF COMMONS

Monday, May 16, 1960

The house met at 2.30 p.m.

PRIVILEGE

MR. HERRIDGE—ALLEGED IMPROPER USE OF HOUSE OF COMMONS STATIONERY

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise on a question of privilege on information supplied to me by a highly indignant editor of a daily newspaper that supports the present government. It is a question that should concern all members of this house, namely the improper use of House of Commons stationery.

There is in Ottawa a cartoonist named Mr. Gordon Johnston, who makes his headquarters at 162 Belmont Avenue. Mr. Johnston is the creator of a dubious new comic strip entitled "Jeff Buchanon, parliamentary press gallery reporter". Last week Mr. Johnston and his associates distributed to the newspapers across Canada the details of their comic strip service. The fabulous Buchanon, they say—

—is going to work on comic pages across Canada on May 16. If you want him on staff, exclusive in your area, send me a wire, collect.

Mr. Johnston and his group are apparently a well financed free enterprise organization. It can afford to print and send out to prospective newspaper customers masses of letters and advertising material, and apparently to pay its postage bills and accept collect telegrams. But evidently it cannot afford to pay for its own envelopes.

This advertising propaganda arrived on the desks of newspaper editors across Canada in official House of Commons envelopes bearing the crown and the Canadian royal coat of arms. My point of privilege is that this is a highly improper use of House of Commons stationery.

I wish to bring to the attention of the house the fact that this advertisement, which reads:

The parliament of Canada in the spotlight with Jeff Buchanon of the parliamentary press gallery—

I have never heard of him—

—a man around "the House'.

—contains an etching of the House of Commons and the figure of the mythical Jeff Buchanon, who somewhat resembles a picture of Mr. Arthur Blakely, taken some ten years ago.

Mr. Speaker, while I cannot raise a question of privilege concerning individual members of the press gallery, I must remind the house that on one occasion Sir Winston Churchill said that the press gallery as an institution is an emanation of a free parliament whose members have somewhat more intimate relations with the members of the House of Commons than other groups. For this reason, Mr. Speaker, I bring to the attention of the house the fact that this advertizing does convey the false impression that the material in question, the reporting and the cartoons to follow, emanate from the parliamentary press gallery.

While I cannot raise this as a direct question of privilege, with our knowledge of the rectitude and propriety of the gentlemen concerned and the extent to which they cherish their privileges and relationships in this house, I know this aspect of the question will concern all members of the house and should therefore receive their consideration.

This being an improper use of House of Commons stationery and, as a consequence, a violation of our statutes, I move, seconded by the hon. member for Vancouver East (Mr. Winch):

That the subject matter of my question of privilege be referred to the standing committee on privileges and elections for its investigation and later report to the house.

Mr. Speaker: It falls to my lot to determine, in the first instance, whether a prime facie question of privilege has been raised. Before accepting this motion, if any hon. member wishes to indicate his view, or the views of the House of Commons, with respect to the proposed motion I should be glad to hear him now or reserve the question and hear him tomorrow.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I believe the hon. member for Kootenay West (Mr. Herridge) has made the matter clear, but if I may I would like to emphasize this point. I believe the hon. member for Kootenay West has filed with you what has been sent out apparently from the press gallery of this House of Commons. But, sir, in particular this matter concerns cartooning and reporting allegedly emanating from the press gallery of the House of Commons, which has been sent out in official envelopes of the House of Commons to newspapers across Canada.

I say that, sir, is very definitely a complete abrogation of the rights of this house, and therefore I hope you are going to accept this motion to refer the matter to the committee on privileges and elections.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, this is one of the matters on which it is difficult to reach a decision without having the documents in front of you. It has perhaps come as a surprise to most hon. members of the house. Your suggestion of reserving judgment until tomorrow I think is a wise one.

Mr. Speaker: Then with the leave of the house I will let this matter stand for consideration and disposition tomorrow. It raises rather a novel point. Is it really more than an improper use of the stationery of the house and does it involve the privileges of the house? There is a question which I wish to consider and which hon. members might consider.

COMMONWEALTH CONFERENCE

WELCOME TO PRIME MINISTER ON RETURN —REPORT ON MEETINGS IN LONDON

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I hope you will not rule me out of order if under motions I express the warm welcome of the official opposition to the Prime Minister (Mr. Diefenbaker) on his return to the house after what was, I know, a very arduous as well as a very important mission. We are delighted to see him looking so well; arduous missions seem to have that effect on him. Perhaps while I am on my feet I might venture to suggest to the Prime Minister that he should make a report to the house at this time on his mission abroad.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should just like a moment in which to associate the C.C.F. group with the words of the Leader of the Opposition in welcoming the Prime Minister on his return to Canada after having taken part in this very important commonwealth prime ministers' conference.

Those of us who have known the Prime Minister for many, many years realize that he is an excellent traveller, and that experiences which might fatigue the average man seem to be taken by the Prime Minister in his stride. I think the right hon. gentleman thrives on this kind of arduous work. We are sincerely pleased to see him back in such good health.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I must say such a heartwarming reception is something that touches me very deeply. I want to thank the Leader of the Opposition for his words of greeting, and to tell him that I had rather expected an opportunity might be provided to make a statement which may be somewhat more lengthy than is ordinarily made, with the leave of the house, on motions.

I wish to thank the hon. member for Assiniboia for his very generous references with regard to my ability to travel. One of the great difficulties I experience is this, Mr. Speaker. These occasions, for some reason or another, do not entirely coincide with my efforts to maintain my weight at a reasonable level. I think that is one of the difficulties I have; attending meetings such as this has, for me, a rather challenging effect, and one of these times I am going to call in the hon. member for Essex East to give me some ideas in connection with this very difficult problem that I face.

Hon. Paul Martin (Essex East): Would the Prime Minister do the member for Essex East the great honour of calling him on other matters as well?

Mr. Diefenbaker: I would think that calling the hon. member in on so weighty a problem it might be sufficient, but it may be that there will be other occasions in future.

At this time, having expressed my thanks and very deep appreciation for the attitude taken by both hon. gentlemen who have spoken and by the house in general, may I begin by referring to the communiques which were issued. They have been analysed at length, and I propose to ask the leave of the house, in accordance with past experience in this regard, to have the first communique of May 3 and the final communique at the termination of the conference printed as an appendix to *Hansard*.

However, even in following this course it is necessary for me to elaborate to some extent upon the main trends and, as I see them, the achievements of the meeting. I came back from the London conference feeling that, bearing in mind the difficult circumstances arising from the situation in South Africa, the conference was generally useful and successful.

Many observers have, of course, pointed out that the proceedings of the meetings did not result in any perceptible change in the attitude of the South African government. It was not to be expected, however, that magic improvements could take place in a situation of such tension and complexity. I believe that those who in future will examine and judge this period in commonwealth history will decide that this meeting did not fail to respond to the stern test to which it was put.

I would be the last to say that everything was achieved that I would have desired. I do not contend that in so far as the communique is concerned it can convey the full nature and substance of the deliberations that took place. On occasions in the past I have heard my predecessors, Right Hon. Mackenzie King and Right Hon. Louis St. Laurent, report on conferences they had attended. In every case it was made perfectly clear that while no decisions were made or can be made in these informal circumstances, there is a oneness of mind that comes about through the exchange of ideas.

There was no disposition on the part of any of the representatives to evade this issue, and there was no lack of frankness in private and informal discussions. I underline the fact that, as the Leader of the Opposition knows very well from his own experience, only in unanimity can there be a final communique issued. Everything that is included therein represents the agreement of all. To bring together the representatives of one quarter of the world's population, belonging to many races and being of many colours, I think it is quite an unusual result that several conclusions were arrived at unanimously which cannot but result in the possibility of change along the lines generally desired.

Despite the profound differences which prevailed and persisted throughout, it was possible for a communique to be issued. This was difficult with two inherently conflicting elements to be reconciled. First, it had become essential that a way be found for commonwealth governments to make clear their intentions on this central question of racial relations. Second, it was desirable that this should be done without violation of the traditional practice of these meetings that the internal affairs of member countries are not the subject of formal discussion. I believe now more certainly than I did when I spoke here on April 27 that any departure from this last principle would mean the end of the commonwealth as we know it; because if we ever arrive at the point where we will discuss the internal affairs of other countries and determine the course by a majority, then there will be problems that will arise and it could only mean that several countries in the commonwealth could not accept the decisions of the majority. I need not go into particulars in that regard; I think a number would come to mind immediately, including the question of migration.

Personally, as the house knows, I was of those who thought it worth while to try to achieve the first objective of enabling the views of prime ministers to be expressed without sacrificing the principle of non-interference, which is one of the elements of the commonwealth association. I took the view that notwithstanding the depth of feeling on this racial issue—my views throughout the years and now are a matter of record —I believed it would be wrong and damaging to the spirit and fabric of the commonwealth partnership if a majority of the commonwealth governments, finding themselves allied in condemnation of one or more of their number, were to constitute themselves as a court of judgment. I saw, as I said a moment ago, in that trend an end of the association as we know it. The seed of mutual recrimination would threaten the partnership whose essence has always been tolerance, restraint and free co-operation.

I wish that hon. members could have been there. Strong feelings were held in the informal meetings. Men like the president of Pakistan, the prime ministers of India, of Malaya and of Ghana accepted this view as essential to the preservation and maintenance of our relationship. There was unanimous acceptance of the principle that internal affairs of free states are not to be the subject of formal discussion, and that any action in that regard would damage the strength and ultimately the preservation of the institution itself.

I cannot reveal, as hon. members know, in the tradition of those meetings, the substance of the talks. They were at times bilateral, at times in small groups, and at other times all the representatives took part in an informal and private exchange of views. For my part, I had two lengthy and private personal conversations with Mr. Louw; I participated in other informal discussions. I left Mr. Louw in no doubt that in Canada there is no sympathy for policies of racial discrimination, on whatever grounds they may be explained, and that such policies are basically incompatible with the multiracial nature of the commonwealth association. I made it clear to him that the policy of South Africa was a denial of the principle that human dignity and the worth of the individual, whatever his race and colour, must be respected, and that there could be no doubt as to our views in that connection. Indeed, those views are being generally expressed now.

A few weeks ago there were those who felt that what we required was condemnation by various parliaments. I think the events during the days of the conference were an answer to that contention. Our views, the views of all of us in other parts of the commonwealth, or most of the people in

other parts of the commonwealth, were set out only a few days ago by the Archbishop of Canterbury when he said:

> But the tragedy is that so far they (South Africa) have seemed to pay little or no regard to the burdens they are imposing on the hearts and consciences and political principles of those who are their brethren in the commonwealth, in culture, in Christian faith and in common humanity.

Only in the last 24 hours I have received from the Primate of the Anglican church of Canada the declaration of that church, which represents the views expressed at the 1958 Lambeth conference:

> The conference affirms its belief in the natural dignity and value of every man of whatever colour or race as created in the image of God. In the light of this belief the conference affirms that neither race nor colour is in itself a barrier to any aspect of that life in family and community for which God created all men. It therefore condemns discrimination of any kind on the grounds of race or colour alone.

I would be less than frank if I did not say that I cannot report that there was any indication in Mr. Louw's attitude, representing his government, that he was moved by the arguments or concerned about the force of international opinion. However, he learned the viewpoint, he recognized that of all those present there no one, in the informal meetings or elsewhere, could give support to racial discrimination in a multiracial commonwealth.

It is clear that the issue of racial conflict will continue to pose a fundamental problem for commonwealth countries and, indeed, for the world community. My hope is that by this meeting we have assisted in the process of change. The matter was not on the agenda but it was discussed with clarity and frankness; and above all, by those from whom you would have expected the expression of violent opinions, with a dignity, a restraint and a recognition of the tremendous issues at stake that must give heart to all of us as to the meaning of the commonwealth as such.

International concern has been demonstrated in the United Nations. In the last few days the secretary general, Mr. Hammarskjold, has been holding talks in London with Mr. Louw. Whatever the results may be, I am sure they will be aided in their talks by what took place at the conference. I hope the people of South Africa can work their way out of the dreadful impasse to which they have been brought. I hope their isolation on the continent of Africa will give them thought and a realization of the situation. It was a great South African, Field Marshal Smuts as he subsequently was, who as long ago as December, 1918, reminded us of this fact:

> There is no doubt that mankind is once more on the move. The very foundations have been shaken and loosened and things are again fluid. The tents have been struck and the great caravan of humanity is once more on the march.

He was pointing to the need of new institutions, new ways of thought, new kinds of international behaviour if the world was to avoid the catastrophe of another war. His words were of prophetic application to his own continent.

It was made very clear in the communique that racial equality was of the essence. The communique had this to say:

> Whilst reaffirming the traditional practice that commonwealth conferences do not discuss the internal affairs of member countries, ministers availed themselves of Mr. Louw's presence in London to have informal discussions with him about the racial situation in South Africa. During the informal discussions Mr. Louw gave information and answered questions on the union's policies, and the other ministers conveyed to him their views on the South African problem. The ministers emphasized that the commonwealth itself is a multiracial association and expressed the need to ensure good relations between all member states and peoples of the commonwealth.

We know the results of the assertion of racial superiority only a few years ago and the effects that followed from it. It is my hope that the South African government will heed and heed quickly the appeal that was made to it, not only in the communique but in personal conversations.

The government there has been planning to hold a referendum on the question of changing the present status of South Africa from a monarchy to that of a republic. In that regard it was pointed out that the choice between a monarchy and a republic is entirely the responsibility of the nation concerned. Then there are these significant words. I am not going to interpret them, because they require no interpretation; their significance lies in the fact that they were accepted unanimously by all who were there.

> In the event of South Africa deciding to become a republic and if the desire was subsequently expressed to remain a number of the commonwealth, the meeting suggested that the South African government should then ask for the consent of the other commonwealth governments either at a meeting of commonwealth prime ministers or, if this were not practicable, by correspondence.

This established clearly that membership in the commonwealth is not a formality. These words speak for themselves. They make clear that the prime ministers were not prepared to give an advance assurance that South Africa might remain a member of the commonwealth in the event that a decision was made to adopt the status of a republic. Therefore the important point is that if a change of status does take place as

a result of the referendum, the consent of the other commonwealth governments will be required as a pre-condition of continued membership. Again I emphasize the fact that this was accepted by all.

The attention given to the South African problem, however, should not be allowed to obscure the deliberation which took place on many other subjects. The nature of those deliberations is fairly reflected in the communique, but I am going to make a few general references thereto. The multi-racial nature of the commonwealth was underlined by the admission of Ghana three years ago at the last meeting, by the participation of the prime minister of Malaya this year and by the fact that the federation of Nigeria, with a population of 35 million, will join the family on the 1st of October and that Sierra Leone and other countries of various colours and races will, it is expected, soon be applying for membership.

What has taken place here is a recognition that there is no automatic membership in the commonwealth, and I believe it is also suggestive of the possibility that the time is not far distant when acceptance by custom rather than by declaration of certain basic principles, including equality of all races, colours and creeds, will be assured. This view is underlined in various editorials to which I could refer. I draw the attention of the house to the fact that Canada's views were known, but the fact that we had not had a resolution placed Canada's representative in a position to speak to Mr. Louw in a way that did not arouse his antagonism. What happened here is well set out in the London *Financial Times:*

> If the South African government carries through its plan for making the country into a republic . . .

important constitutional matters will arise. It goes on to say:

> More important even than these constitutional considerations is the simple truth expressed by Mr. Diefenbaker last week that a commonwealth in which the majority of the population is coloured must unequivocally accept racial equality.
>
> The seriousness of racial problems varies widely from member country to member country. Not all of them have an untarnished record. Yet the position today is that the truth of Mr. Diefenbaker's proposition is accepted in theory at least everywhere in the western world except in South Africa. Refusal to accept it would mean losing the struggle against communism by default.

And so I might go on in that regard. This was an important step forward, and in that connection it is important internationally. We reviewed the international political situation. As to our views on the summit conference, I shall not now refer to them in view of what has taken place today.

There was universal agreement on the importance of developing a general detente in international relations, the urgent need of concluding a broad agreement to end the testing of nuclear weapons, and the desirability of finding avenues of progress in the field of general disarmament. There was an awareness of the growing importance of China in world affairs; and in particular, in order to ensure the implementation of any international agreement on disarmament, the participation of China was recognized as being of first importance.

The meeting was notable also for the growing recognition it gave to the development of the economic needs of the newly independent countries of Africa. I have mentioned already the fact that Nigeria will become a member. I have also referred to the second constitutional decision which arose from the intention of Ghana to introduce a republican form of constitution by July 1. In connection with the decision regarding Ghana's relation to the commonwealth, the government of Ghana applied to continue as a member, thus again illustrating the flexible nature of the commonwealth relationship which permits member countries to remain in free association despite the differences in their forms of government.

As to the economic needs of the emerging nations of Africa, there was a unanimous recognition that a substantial expansion of economic assistance was necessary in order to assist these countries to achieve self-sustaining growth. The greatest remaining underdeveloped region of the world is Africa, where no special international economic assistance program has been established and were the flow of investment and aid funds, in comparison with that to other underdeveloped countries, is disproportionately small. The Prime Minister of Ghana is seriously concerned about this situation. It was agreed that unless measures are quickly taken in this crucial formative period in the history of these new African nations there may very well develop in those nations doubts as to the good will of the developed countries of the west, and they may be tempted to look for sympathy and assistance in other directions.

Mention was made of what the Colombo plan had done. There is no such type of international assistance as yet available in Africa. Consideration is therefore being given to the possibility of co-operative action among members of the commonwealth in assisting the economic development of countries in Africa which have recently attained or are approaching independence. This matter will be studied by the various commonwealth

governments, and will be examined at the next meeting of the commonwealth economic consultative council in London.

On behalf of the government Canada indicated willingness, subject to parliament, to participate in such a program. I cannot at present, however, indicate the scope of the aid program which may flow from the decisions of the conference, or offer any forecast of what will be required from Canada.

Then in connection with the need for technical assistance for the newly independent countries of both Asia and Africa, the Prime Minister of Malaya drew attention to the fact that his government required the services of persons with specialized skills and experience in the administrative and technical fields. There was general agreement that everything should be done to foster and encourage exchanges of specialized personnel, and that the question should be taken into consideration by the commonwealth economic consultative council.

A further subject—and this was one that will become of increasing importance; it was mentioned by the Leader of the Opposition (Mr. Pearson) in his remarks in April—was the constitutional development of the commonwealth. Up to the present time it has been possible to preserve the intimate character of the prime ministers' meetings. The essence of these meetings is that they are conducted, as I said, in an informal way. No resolutions are moved; no votes are taken. Progress is made by agreement after discussion. However, as the membership of the commonwealth grows, new problems as to how these meetings will be conducted will arise.

One has only to note that at the present rate of accession to the commonwealth, within a very few years the present membership of 11 will be expanded to 16 or 18. How shall such a wide membership be reconciled with the maintenance of frank, intimate and profitable discussion? What about the size of the gathering? What about the size of the nations? There will be tremendous and fantastic disparities in population, importance and size, India with a population of 450 million and Sierra Leone with 2 million.

The various commonwealth governments will have to give consideration to such questions as membership, weight by population, the rotation of membership as in the security council, regional groupings of nations within the commonwealth, and representation of such groups. These are some of the problems which will have to receive consideration. I am not indicating any view with regard to them. These are some of the problems that will now have to be examined in the light of the tremendous expansion that is taking place and the number of nations which are joining us.

To those who say there is nothing in the commonwealth relationship, may I say that it is of interest to note that in all the years the commonwealth has been in its present form only one nation which attained independence, namely Burma, did not apply for membership. In other words, these nations representing various colours have of their own volition decided to remain with the institution and become active and effective members.

Mr. Speaker, one other matter I want to refer to is the question of trade. Western Europe represents a very important market for all commonwealth countries. With the exception of the United Kingdom most of them, like Canada, are important suppliers to western Europe of agricultural products. It was therefore recognized that it would be a matter of much concern if our competitive access to these markets was impaired in any way by the agricultural policies which may be followed by the European economic community. This community can have a tremendous influence in the direction of world trade, and this is significant for the primary producing countries of the commonwealth. It was urged that both the Six and the Seven should pursue trade policies that are consistent with their obligations under GATT. In this way western Europe would be contributing to the general economic well-being of the world, and particularly of the underdeveloped countries.

Some concern was expressed about the possibility that the plans to create a successor organization for the O.E.E.C. might lead to exclusive or restrictive arrangements which would not take into account the interests of countries outside Europe. I explained that while Canada expected to be a full member of the revised organization, we attached great importance to ensuring that its efforts should be directed toward improving multilateral trading conditions and that we did not regard this as in any way an exclusive organization which would be harmful to the interests of other commonwealth members. I believe the members of the commonwealth share our concern that the economic division in western Europe should not lead or be permitted to lead to political division. It was also recognized, as I saw it, that the United Kingdom should continue to maintain the closest co-operation with the rest of the commonwealth in developing its own policies with regard to trade with western Europe.

Now, sir, to those who have predicted that the commonwealth was on a slippery slope,

I am convinced that it came out of the conference stronger than ever. It is impossible to convey to the members of this house the spirit that was apparent in the desire to assure the maintenance of unity without the sacrifice of principle on the part of any of the members. Each of the representatives, in a spirit of understanding, was conscious of and concerned with the welfare of all other members. While re-emphasizing the cardinal principle of the commonwealth, non-interference in domestic affairs, the multiracial nature and the need for recognition of equality of all races and peoples were recognized. In the informal meetings this was made clear and definite so that no one could misunderstand it.

I mentioned this earlier in another way, and I repeat it. While the commonwealth has no constitution, the membership and variety in population of the peoples that compose its membership demand the recognition of equality, and I believe the final communique made it clear that the recognition of these principles has been achieved in spirit.

As I return I am convinced of one thing. While there were those who were critical of the stand which was being taken, I think in the light of what has occurred the course followed was one that has assured the maintenance of the basic principles, and also made possible in the future the achievement of equality and the denial of discrimination. The ominous danger of commonwealth fission was prevented without the sacrifice of any vital principles by the prime ministers and representatives of the various countries. The course of reason, restraint and diplomacy was followed rather than that of judicial action. The various prime ministers who felt most strongly against fanatical racialism maintained a self control and a dignity in the presentation of their arguments which had its effect. I think it may be fairly said that an advance was made in the interracial and multiracial relationships of the many peoples of the commonwealth; and while collective action was asked by some before we met, it was asked by none by the time we separated.

Mr. Speaker: Does the house give consent to the printing in the appendix of *Hansard* of the two communiques mentioned by the right hon. Prime Minister?

Some hon. Members: Agreed.

[*For text of communiques referred to above, see appendix*]

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think every member of the house will have listened with the greatest possible interest to the statement we have just heard from the Prime Minister (Mr. Diefenbaker), who represented our country at this very important meeting of commonwealth prime ministers which, I think, had an importance which extended beyond the borders of the commonwealth itself.

The Prime Minister in his statement has indicated not only the far-reaching nature of the subjects under discussion but their complicated character as well. The formal results of the meeting are, as is customary in these cases, to be found in the communique issued by the prime ministers at the conclusion of the conference. But as the Prime Minister himself has indicated, a communique of this kind does not of course communicate everything that was done and said at the conference. A communique, especially a communique resulting from a conference of this kind within the commonwealth, has to be of a nature—always in the past it has been of a nature—which requires unanimous approval, and perhaps on this occasion there was some difficulty, as indeed there have been difficulties in the past, in securing that unanimous approval. In the very nature of things the communique represents, as it was bound to, the lowest common denominator of agreement.

I have no doubt, and the Prime Minister's remarks seemed to make it quite clear, that some of the more important discussions took place outside the formal meetings of the commonwealth prime ministers.

That has been the situation in the past. It has its advantages, but of course it could also have its dangers. I recall in the past that over the issue of Kashmir—a very different issue from that which divided the commonwealth conference on this occasion—it was not possible to have a discussion of that controversial matter inside the meeting; any discussion which took place had to be outside the formal agenda.

However, it is clear from the communique, from the report we have had from the Prime Minister, and from the reports we have read in the press, that this conference made clear as perhaps has not been made clear before, at least so dramatically, the nature of the new commonwealth; its great potential value as a bridge between races and peoples and countries and continents; also its new problems and, indeed, certain new dangers which threaten its existence in a more acute form, perhaps, than we have had to face in the commonwealth in the past, dangers and difficulties which every member of this house hopes will be removed. These dangers and these difficulties arise from that very multiracial character which, if it is not accepted by all members of the commonwealth, with

all its complications, will constitute a great threat to the future of the commonwealth, just as the complete acceptance of this new character of the commonwealth could constitute its greatest value in the future.

So these matters have to be faced, even though they cannot always appear in the record of the meeting itself. There is a real danger of what may arise if we neglect to do so. The Prime Minister of India who, I am sure, played his customary constructive role in this conference, is reported in the press to have said:

> The commonwealth is facing basic problems—and some people begin to doubt whether this commonwealth is not becoming too vague to be identified as anything at all.

I would hope that Mr. Nehru, at the end of the conference, would perhaps be more optimistic than he was in that statement as to the possible results.

There was also a very interesting editorial in the London *Times* of May 10. I have no doubt the Prime Minister has had it drawn to his attention. Dealing with this matter with all the impressive authority that goes with that historic newspaper, the *Times* had this to say:

> The commonwealth is a voluntary association and sooner or later every voluntary association has to recognize that though every member's private life is his own concern, yet each is judged by the company he keeps, and the honour of all may be involved in the private behaviour of one.

The editorial concluded with these words, which are full of sober significance:

> It is a multiracial commonwealth.

That phrase is, of course, used in the communique.

> If the deliberations of the prime ministers end in complete disagreement on one of the greatest questions of the day it is far better to announce the fact. There are other great questions; if there is unity on these it can also be declared, and with the greater prospect of being believed. The consequences that flow from both agreements and disagreements can then be worked out.

Mr. Speaker, the disagreement which obviously existed within the membership of the conference—the Prime Minister has frankly indicated it and, of course, we knew there would be such disagreement—was not announced in the communique. I can understand the reason for this, and I am not suggesting it should have been announced in the communique. But it is just as well for us to go behind the words of the communique and face the fact that disagreement exists, because I do not think I am exaggerating when I say the commonwealth on this occasion did face a very real threat to its existence—a veritable storm, as it has been described. Indeed, the Montreal *Gazette* referring only this morning to this "veritable storm"—that was the expression the editor used—stated in an editorial on this subject, that it—that is, the commonwealth—has neither surmounted that storm nor succumbed to it. Perhaps that is the fairest analysis that could be made in a few words with regard to the conference and, indeed, to the communique.

The conference certainly postponed a showdown—if I may use that expression—on the issue on which some of its members felt so strongly, the issue of race discrimination and the policy of apartheid in South Africa. I am not complaining about that, as long as the cost which had to be paid for that postponement was not too high, and I do not think in this instance it was. Perhaps the postponement of this issue at this time was the best course to take in London, providing the period which has been given for the reconsideration of this matter by the government of South Africa can be used for improving the situation in regard to this situation in that country.

The Prime Minister indicated today that he made it clear to the South African representatives where Canada and Canadians stand on this matter. I am glad he has done that. Indeed, the Prime Minister's intervention in this matter in this informal way does illustrate, in a sense, the dilemma he mentioned about intervention or non-intervention in commonwealth affairs. The situation we have reached now is that while there cannot be formal intervention in domestic matters at the conference table—that has been the tradition up to the present—there may, nevertheless, be informal intervention of the kind the Prime Minister has mentioned. I am glad the right hon. gentleman took advantage of the opportunity to make the attitude of Canada perfectly clear with regard to this policy.

The right hon. gentleman also said—and I think the record indicates that he was correct, at least the record that was made public—that unfortunately nothing has yet emerged which would indicate that there is any likelihood of the South African government modifying its position on this matter of principle which is so vital to us. Therefore we can only hope that the words which were uttered, the attitudes which were taken and the moderation which was shown at the prime ministers' conference on this occasion will have their effect in those places where change can be brought about.

However, we must be clear that the situation has been postponed only. Indeed, the Prime Minister made clear in reading from the communique that if and when South Africa decides, after an expression of the

opinion of its people, to become a republic, it will be required to apply for continuing membership in the commonwealth as a republic. No assurance has been given in advance in regard to any such request if and when it is made. I express the hope that if and when that time comes the situation in South Africa will be such that all members of the commonwealth will be happy to have South Africa continue its membership in this association.

The Montreal *Star* writing on this aspect of the matter on May 11 had this to say. I hope this is not too pessimistic, but in view of what the Prime Minister said it would not seem to be. The words of the editorial are:

They—

The members of the commonwealth.

—have sought to elicit some hint that South Africa might, some time and in some way, modify its apartheid policy.

They have got nowhere.

Let us hope that during this period between the meeting in London and the next meeting we will have got somewhere in connection with this matter.

The Prime Minister mentioned some other questions that came up at the commonwealth meeting. He dealt with the question of assistance to the new and emerging nations of Africa. I think all hon. members of the house are anxious as all Canadians are to do what we can to provide the kind of assistance needed, within the measure of our resources; not only material and economic assistance, but assistance through the sympathy and understanding we may show for the problems of these people, and assistance by the supply of technical and administrative personnel which in the early days of their existence is going to be, I am quite sure, their greatest problem.

The Prime Minister also mentioned that trade was discussed, and I am sure that was not the least important subject that came up for discussion at that conference. It is well that it should have come up at this particular time, because the European countries are trying to work out their own arrangements for economic co-operation leading, one might hope, one day to economic unity and who knows but to political unity. It is of the greatest possible importance that that be done not only without dividing Europe but also without dividing Europe from her friends across the Atlantic and inside the commonwealth.

There has been an important step made in that regard in recent weeks, at least in so far as a report is a step. If hon. members have read that report of the four O.E.E.C. representatives, as I have, they will I think be struck by the fact that the recommendations in that report can be of very far-reaching significance indeed; because they lead inevitably to an association of the 19 European countries and the United States and Canada. They point the way toward that association, which in any event will take a long time to work out. But even 21 countries united on that basis will not be enough if other countries in the commonwealth who wish to come into that kind of lower tariff association are excluded. Therefore, perhaps, these matters as they were discussed in London may have had their own value in bringing about the widening of this kind of freer trade association.

The communique contains one sentence which I should like to read. The Prime Minister for very understandable reasons felt that at this time and in the present circumstances he would not deal with it in any detail. The sentence concerns a summit conference, and reads as follows:

They—

The members of the commonwealth.

—hoped that, on the basis of the preliminary work already done, the summit conference would be able to make some significant progress toward an eventual settlement, under international control, of the problem of disarmament.

Then they also expressed their general hope for success at this summit conference to which all men and women of good will throughout the world have been looking forward with hope not unmixed with anxiety. As reports have come over the wires this morning the anxiety is becoming a more powerful emotion than the hope, because so far as one can gather from the first meeting of the summit conference—and it is unwise to come to any premature conclusion on this matter—those hopes which were expressed by the commonwealth prime ministers may in the course of events be falsified.

I hope the leaders of the three western countries, the United States, the United Kingdom and France—and I am sure all hon. members of the house join me in this hope—will not accept the apparently brutal ultimatum submitted to the conference at its opening session by the leader of the Soviet union. This conference must not be allowed to break up in this way. Therefore if anything could be done, it should be done. If the commonwealth prime ministers were only meeting at this time collectively they might have been able to intervene collectively to prevent a break. Although I know this is perhaps going a little beyond the report of the commonwealth conference, but not very far—

Mr. Fulton: Just far enough to be out of order.

Mr. Speaker: The Leader of the Opposition, if he pursues that vein, will make it difficult not to have replies, because he is opening up a matter which was deliberately left out of the original statement. The practice is normally to confine one's remarks to the statement.

Mr. Diefenbaker: Mr. Speaker, I am sure the sense of the house would be that the hon. gentleman should continue. I am sure this is one time when in a matter so important and so momentous to the world, none of us would raise an objection.

Mr. Pearson: I will say only a very few words because I do not wish to stray beyond the rules of order or to take advantage of the indulgence which the Prime Minister has indicated the house might show me. There is in this communique of the commonwealth conference a great deal—several paragraphs—devoted to the then forthcoming summit conference. All I would like to say on this occasion is that this conference must surely be kept going. The replies of the three western leaders to the statement of the Soviet leader this morning indicate that they are taking that view, too. I know the Canadian government will support them in that stand in any way it can.

I have one final suggestion to make, a very short one, before I sit down. My suggestion is that if the conference threatens to break up at once, even before it approaches the problems that are before it, then perhaps the secretary general of the United Nations, who is on that side of the world at this time, might ask that these four leaders meet with him to discuss ways and means of keeping the conference going.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, we all listened with a great deal of attention to the statement made by the Prime Minister on returning to Canada from the commonwealth conference. Reference has been made by the Leader of the Opposition to the summit conference. I am not going to endeavour to make any detailed statement on the proceedings that are going on at the summit. We very fervently hope for all mankind that ideological differences may be bridged, that good will may assert itself, and that an agreement on disarmament in the interests of peace can be achieved as a result of the conference.

I would say that the leaders of the world should quit spying, quit threatening and quit stalling. Mankind is not interested at this time in threats or in any course that might be considered normal in normal circumstances. These are abnormal circumstances, and the world is looking for abnormal action that will restore the confidence of mankind in its own survival.

I was encouraged by the general statement of the Prime Minister, and by the emphatic way he made the statement he gave to this house. As was mentioned by the Prime Minister, the second world war was fought to preserve the world from fascism, racial discrimination in its most ugly form. We trust that fascism and the appearance of fascism, no matter where it emerges, can be obliterated and that mankind will grant to one another complete racial equality.

I think the attitude of the Prime Minister confirmed the position taken by the C.C.F., namely that in an issue such as this it is essential for Canada to speak out strongly and with a united voice. I feel that as a result of the conference, and by the strength of the Prime Minister's statement today, he would have been in a better position when he went to the conference had he been armed with a unanimous vote of this House of Commons setting forth the Canadian point of view.

We trust that events as they unfold will see the relaxing of discrimination in South Africa. We are very much in favour of an expanding, of a growing and of a strengthened commonwealth, but we feel that to try to keep together at all costs this loose association of nations is not the best attitude or the objective that we should have. The commonwealth, to survive, must he based on solid principles, and one of those principles is the regard of man for his brother.

I think it should be made perfectly clear —the Prime Minister did not say it but I believe it is inherent in the statement he made—that if the people of South Africa by their vote should decide to become a republic and unless racial equality is restored Canada's attitude will be one of opposition to the admission of South Africa to the commonwealth as a republic. Any other attitude would be a denial of those important human principles.

The Prime Minister went on to refer to a number of other subjects, such as the desire for an end to nuclear testing, a review of the growing importance of China and the necessity of China coming into any general disarmament agreement. We suggest to the Prime Minister once again that now is the time for Canada to consider diplomatic recognition of China as a positive step toward bringing this nation into the councils of the world so that any disarmament agreement may be meaningful.

The Prime Minister dealt with a number of positive suggestions, including the one

that there should be a Colombo plan of assistance for the nations of Africa. This, we think, would be a very important step forward. We have been firm advocates of economic and technical assistance to emerging nations for many years. I now go on record once again as suggesting to the Canadian government that Canada should be prepared to use 1 per cent of its gross national product as the amount that would be suitable for our contribution to economic assistance to underdeveloped nations of the world.

The Prime Minister went on to deal with the importance of trade and the possible threat of the inner six and even the outer seven to commonwealth trade. I make the suggestion that now is the time for Canada to consider associating our nation with those other trading areas, and that we should be giving very close attention to plans directed toward the removal of trade barriers in this larger trading area and finally in other nations of the world.

The Prime Minister's statement, Mr. Speaker, I believe, shows that he has come back from this conference prepared to make a much stronger statement on the need for racial equality. We suggest to him various points that I have covered as ways and means of strengthening the commonwealth, of improving the lot of underdeveloped nations, and of playing our full part in the maintenance of world peace.

Mr. Diefenbaker: Mr. Speaker, I thank the hon. gentlemen for the expression of their points of view. I say to the Leader of the Opposition that I think this house as a whole would want to express the hope that the summit conference will be continued and that it may achieve that measure of detente which the world expects; and at the same time those who are our allies and friends must make it most clear that intimidation will not be effective in any way.

INTERNATIONAL DEVELOPMENT ASSOCIATION

APPROVAL OF ARTICLES OF AGREEMENT AND PAYMENT OF SUBSCRIPTION

Hon. George C. Nowlan (for the 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 respecting the international development association, to approve the articles of agreement thereof and to provide further for the payment out of the consolidated revenue fund to the association of an amount or amounts not exceeding in the whole an amount equivalent to the subscription assigned to Canada, that is to say, thirty-seven million, eight hundred and thirty thousand United States dollars.

Motion agreed to.

WAR VETERANS ALLOWANCE ACT

AMENDMENTS RESPECTING ABSENTEE PAYMENTS, RESIDENCE QUALIFICATIONS, ETC.

Hon. Howard C. Green (for the 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 War Veterans Allowance Act, 1952 to permit payment of war veterans allowance in certain circumstances to veterans, widows or orphans who absent themselves from Canada after the said measure comes into force; to provide saving and transitional provisions to protect and preserve the right of certain veterans, widows or orphans who are absent from Canada upon the date the said measure comes into force; and to establish a residence qualification for former members of His Majesty's forces or allies who served during world war II similar to that already provided for members of those forces or allies who served during world war I.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CONSTRUCTION OF TERMINAL FACILITIES AT TORONTO

Hon. George H. Hees (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 Canadian National Railway Company may construct and complete certain railway terminal facilities at and in the vicinity of the city of Toronto; that the Minister of Finance may, with the approval of the governor in council, make temporary loans out of the consolidated revenue fund, not exceeding one hundred million dollars to enable the work of construction and completion of the Toronto project to proceed forthwith; that the governor in council may guarantee the principal and interest of the securities that the company may issue under the provisions of the said measure; to provide also that the proceeds of any sale, pledge or disposition of the securities shall be deposited to the credit of the Minister of Finance in trust for the company in one or more banks designated by him, and released from time to time to the company by the said minister to be applied to expenditures made or indebtedness incurred in connection with the said project; and to provide further that the estimate for the amount to be expended be $87,000,000 and the company shall not in performing the work of construction and completion exceed such estimate by more than 15 per cent.

Motion agreed to.

MOTIONS FOR PAPERS

REPRESENTATIONS ON SOUTH AFRICAN PROBLEMS, U.B.C. STUDENTS

Motion No. 96—**Mr. Martin (Essex East):**

For a copy of all correspondence exchanged from April 1, to date, between the Prime Minister and a committee of the students of the University of British Columbia, regarding current problems in South Africa.

Motion agreed to.

IMMIGRATION ADMINISTRATION—LETTER FROM TORONTO "TELEGRAM"

Motion No. 98—**Mr. Pickersgill:**

For a copy of any letter addressed to the Prime Minister by the Toronto *Telegram* or any reporter or editorial writer employed by the newspaper, regarding the administration of the immigration department, together with any replies thereto, since June 21, 1957.

Motion agreed to.

UNEMPLOYMENT INSURANCE ACT—APPLICATION TO FISHERMEN

Motion No. 99—**Mr. Peters (for Mr. Howard):**

For a copy of all correspondence, telegrams, briefs and other documents exchanged between the united fishermen and allied workers' union and the federal government or any department or agency thereof since January 1, 1953, dealing with the application of the Unemployment Insurance Act to fishermen.

Motion agreed to.

PREVAILING RATES EMPLOYEES

Motion No. 100—**Mr. Martin (Essex East):**

For a copy of the regulations of treasury board governing prevailing rates employees.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I wonder whether this motion might stand, in the absence of the Minister of Finance.

Mr. Speaker: Does the house agree that this motion may stand?

Some hon. Members: Agreed.

Motion stands.

GEORGIAN BAY AIRCRAFT LTD.

Motion No. 101—**Mr. Chevrier:**

For a copy of the evidence before the air transport board of an application made by the Georgian Bay Aircraft Limited, denied by the board, for a class 4 charter commercial air service (with group B aircraft) held at Timmins, Ontario, on the 15th of October, 1959.

Motion agreed to.

Motion No. 102—**Mr. Chevrier:**

For a copy of the decision of the air transport board denying the application of Georgian Bay Aircraft Limited for a class 4 charter commercial air service (with group B aircraft) following a public hearing held at Timmins on October 15, 1959.

Motion agreed to.

Motion No. 103—**Mr. Chevrier:**

For a copy of the decision of the air transport board granting Georgian Bay Aircraft Limited a permit to operate a class 4 charter commercial service (with group B aircraft) following amendment of article 6 (1) of the air regulations removing the necessity of proving public interest.

Motion agreed to.

C.G.S. "SIMON FRASER"

Motion No. 104—**Mr. Peters (for Mr. Howard):**

For a copy of all correspondence, telegrams, and other documents exchanged between the government of Canada or any department or agency thereof and any person, organization or governmental body in Prince Rupert, British Columbia, since January 1, 1958, dealing with the C.G.S. *Simon Fraser*.

Motion agreed to.

GEORGIAN BAY AIRCRAFT LTD.

Motion No. 105—**Mr. Chevrier:**

For a copy of all correspondence between Georgian Bay Aircraft Limited on the one hand and the air transport board, the Minister of Transport or any officer of his department on the other, from June, 1957 to date.

Motion agreed to.

VOTING BY SERVICE PERSONNEL, QUEBEC ELECTION

Motion No. 106—**Mr. Chevrier (for Mr. Bourget):**

For a copy of any directive or instructions issued by the Department of National Defence to defence establishments in the province of Quebec, regarding the exercise of the franchise by service personnel in the forthcoming provincial election.

Motion agreed to.

Hon. Lionel Chevrier (Laurier): May I ask the minister or associate minister whether it would be possible to table this directive now or perhaps tomorrow?

Hon. G. R. Pearkes (Minister of National Defence): I think it would be possible to table it tomorrow. I have not got it here.

INTERNATIONAL TRADE FAIR

REJECTION OF MONTREAL INVITATION—ALLEGED INCOMPETENCE OF CANADIAN DIPLOMATS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Postmaster General. Is he aware of the statement made by the hon. member for Chicoutimi (Mr.

Brassard) that the bungling and incompetence of Canadian diplomats is responsible for Montreal not getting the world fair?

Hon. W. M. Hamilton (Postmaster General): Yes, Mr. Speaker, I read the statement in the press. I can only say that over the weeks and months preceding the meeting in Paris we had a very high degree of co-operation from our external affairs department representatives in the various cities and countries with which we were concerned. I think it is apparent to everyone that it was not any bungling on the part of the external affairs department which was responsible for Canada not being chosen. The other nation which was seeking the world's fair, Russia, at the very last moment, without adequate notice to anyone and following a practice which I do not think we as a country would wish to follow, introduced seven of its satellite countries. If you examine the voting you will find that, without these seven countries introduced at the last moment, at every stage Canada led in the number of votes received. I think this speaks highly for the work of our people both here in Canada and abroad in gaining that degree of support for us.

Mr. Chevrier: I should like to ask the Postmaster General a supplementary question. At a later stage the same hon. member made the statement that the "political adversaries of the Diefenbaker government did all they could to ruin the project for fear that Mr. Diefenbaker would get the credit." I wonder whether the Postmaster General would like to comment on that part of the statement.

Mr. McPhillips: That was the Grit mayor of Montreal.

Mr. Hamilton (Notre Dame de Grace): I have no particular comment to make on that remark. At one or two points during the discussions and during the work over several months that led up to the meeting on May 5, varying opinions were expressed. However, I can say that at the meeting in Paris on May 5 we had the very highest degree of co-operation from all those who formed our delegation to the meeting.

EXTERNAL AFFAIRS

SUGGESTED DENIAL OF CANADIAN FACILITIES TO ALL U-2 PLANES

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 or to the Prime Minister, though the Secretary of State for External Affairs has been answering questions along this line. In view of the desirability of doing nothing that might interfere with the summit conference, I wonder whether Canada would be prepared to state that at least for the present no planes of the U-2 type, whether weather planes or otherwise, will take off from bases within Canada or fly over Canadian territory?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it has been made perfectly clear that none of the U-2 flights has been connected in any way with espionage, and none has originated in Canada. Having regard to the very bellicose and threatening attitude of Mr. Khrushchev today, particularly in the light of President Eisenhower's agreement to discontinue U-2 flights over Soviet territory, I can see no reason why at this time we should give consideration to the suggestion that planes engaged in weather flights over Canada, that do not go beyond Canada, should be denied access to the air.

CANADIAN BROADCASTING CORPORATION

REPORTED UKRAINIAN PROTEST OVER PROGRAM "YOUR SOUL AND CONSCIENCE"

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. Has the minister taken note of a report in today's issue of the Montreal *Gazette* to the effect that Ukrainians in Montreal staged a march in protest against a French language television series called "Your Soul and Conscience", dealing with the assassination of Ukrainian leader Simon Petlura, which was distasteful and offensive to Canadians of Ukrainian origin? In view of the reply of the C.B.C. director of information to the president of the Ukrainian committee that he had no power to stop this program, will the minister ask for an inquiry into the matter and suggest to the president of the C.B.C. that this series of television presentations which is causing dissension among our Canadian people be discontinued forthwith?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the hon. member was good enough to send me notice of his question this morning. I did see the report in the Montreal *Gazette*. The matter had also been drawn to my attention prior to the report by the hon. member for Marquette, the Minister of Labour and one or two other members, I believe, who had knowledge of the feelings of the Ukrainian association and people of Ukrainian origin about this matter.

Personally I regret very much that any such situation has arisen or that the feelings of a large group of important Canadian

citizens, or a group of any size as far as that is concerned, should have been affronted by what they read into this program. I cannot necessarily accept the suggestion that I should direct the C.B.C. to drop the program, but I can tell the house that I have asked for an inquiry to be made. I have asked the C.B.C. for a report on the matter. I understand that the C.B.C. senior executive board met this morning and is meeting again this afternoon, and that a statement will be issued on the matter before the end of the day.

POLICY RESPECTING EMPLOYEES NOMINATED IN PROVINCIAL ELECTIONS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of National Revenue whether he is yet in a position to reply to the question I asked him on Friday.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, no; not yet. I hope to be able to do so tomorrow.

LABOUR CONDITIONS

NEWFOUNDLAND—REPORTED REJECTION OF VOCATIONAL TRAINING PROGRAM

On the orders of the day:

Mr. J. A. McGrath (St. John's East): I have a question for the Minister of Labour. Is the minister aware of a statement made by Premier Smallwood in the Newfoundland house of assembly on Tuesday, May 10, to the effect that the government of Newfoundland had turned down the offer made by the minister in a letter to Premier Smallwood in October, 1959 to start a vocational training program for the unemployed miners of Bell island? If so, does the minister have any comment to make on this callous act of political vindictiveness on the part of the premier of Newfoundland toward my constituents?

Hon. Michael Starr (Minister of Labour): I have not received any communication from the Newfoundland government along the lines mentioned. Consequently I have no comment to make.

FIRES

FOREST FIRE FIGHTING—INQUIRY AS TO TRAINING OF TROOPS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of National Defence which is of particular interest to a good number of people in Canada, particularly because of the advent of the forest fire hazard season. In view of the announcement by Hon. J. Wilfred Spooner, minister of lands and forests for Ontario, in the legislature that as the result of meetings between his department and the Department of National Defence, preliminary plans have been made for special courses in the techniques of forest fire fighting and that a battalion or more of the Canadian army may be trained in forest fire fighting, will the minister inform the house whether such training of Canadian army personnel is now being undertaken? If so, will the services of these troops be available to any provincial government seeking assistance in forest fire fighting?

Hon. G. R. Pearkes (Minister of National Defence): Army personnel in the past have assisted in more than one province in the fighting of forest fires. When applied for by the provincial government, the personnel have carried out these operations as part of an emergency when not declared to be a national disaster. In order to study the most up to date techniques in forest fire fighting a limited number of personnel have been attending the Ontario provincial forestry school, but no special unit of the army has been detailed for this particular duty.

HOUSING

C.M.H.C.—REPORTED CHANGE OF POLICY RESPECTING SEPTIC TANKS

On the orders of the day:

Mr. J. A. McBain (Elgin): I should like to direct a question to the Minister of Public Works. Is the minister aware of changes introduced within the past few weeks by Central Mortgage and Housing Corporation in relation to its policy on septic tanks where new house construction is being assisted under the National Housing Act? When will these changes become effective? Will they affect subdivisions classified as rural?

Hon. D. J. Walker (Minister of Public Works): I want to thank the hon. member for giving me notice of the question. There will be no change until January 1, 1961. So far as rural areas are concerned, the answer is that the changes will have no application to applicants in the rural areas.

[*Later:*]

Mr. D. V. Pugh (Okanagan Boundary): May I ask a supplementary question of the Minister of Public Works re national housing. Would the minister explain further the policy in rural areas with regard to non-sewage lots?

Mr. Walker: Mr. Speaker, in reply to the hon. member might I amplify my previous reply by stating that since October, 1958

the corporation has only issued undertakings to insure loans for builders in areas where piped services were installed, unless the municipality provided satisfactory evidence that piped services would be available within a reasonable time. However, where building lots remained in subdivisions previously accepted for septic tanks, loans were also insured. No change is contemplated in this policy. As in the past, septic tanks will be accepted for home owner applicants in strictly rural areas.

In urban areas where loans have generally been available to home owner applicants proposing the use of septic tanks, effective Jan. 1, 1961 such loans will only be approved (1) where the municipality provides evidence that piped services will be available within a reasonable period of time, (2) where lots remain in subdivisions which have been accepted for septic tank use, and (3) in exceptional circumstances where septic tanks are the only means of servicing the land.

C.M.H.C.—STATEMENT ON REPORTED REVERSAL OF LENDING POLICY

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the hon. member for Nipissing asked a question on May 13 about an article which appeared in the *Globe and Mail* of that date, as to whether the government has changed its position in regard to the lending policy of Central Mortgage and Housing Corporation.

Might I state that the article in the *Globe and Mail* of Friday last to which the hon. member referred is misleading, in that it suggests a change in lending policy, or a reversal of policy, on the part of Central Mortgage and Housing Corporation. Government policy on mortgage lending is, of course, announced only by the minister responsible. I am therefore pleased to have this opportunity to correct a misunderstanding.

In its role as residual mortgage lender, or lender of last resort, Central Mortgage and Housing Corporation has not considered it proper or desirable to pioneer in large new subdivisions or satellite towns outside the boundaries of major metropolitan areas by becoming the only lender to make loans. This, it is felt, is the function and responsibility of the approved lenders.

However, because a number of prospective home owner applicants who qualified in all other respects were unable to obtain mortgage financing in Bramalea, which is located between metropolitan Toronto and Brampton, the corporation is prepared to treat them on exactly the same basis as any other qualified home owner applicants in Canada. There is no change in policy entailed; it is rather the relaxation of a local rule to assist a group of prospective home owners who are urgently in need of new homes.

FINANCE

POULTRY MEAT—REQUEST FOR EQUALIZATION OF TARIFFS

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): I should like to direct a question to the Minister of Agriculture. In view of the fact that the tariff on poultry meat moving between Canada and the United States is equal in both directions at 12½ per cent, but the United States imposes a minimum of 5 cents per pound whereas there is no such minimum imposed against poultry meat coming into Canada, and Canadian producers are therefore at some disadvantage in relation to United States producers, will the minister give consideration to taking whatever steps are necessary to bring the protection for Canadian producers into line with the protection enjoyed by United States producers?

Hon. D. S. Harkness (Minister of Agriculture): This is a matter which has been brought to the attention of the government on several occasions in the past, including a delegation of poultry association people who were here, I believe, a week ago today. We have assured these people that at the next GATT negotiating conference, which comes on this fall, we will make an effort to have these duties equalized as between United States and Canada.

POWER

TRANSMISSION OF ELECTRICITY—INQUIRY AS TO PARTY VISITING RUSSIA

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Northern Affairs and National Resources whether he or his department have any knowledge of a party of Canadians who are supposed to be in the Soviet union at the present time investigating the transmission of electricity over long distances, and whether his department had any consultation with them before they went away.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): There has been consultation with private industry in Canada on this question of the long range transmission of power. I do not know the exact date but I understand that there is a private group going to Russia. I do not know

whether or not they have gone. If they have not gone, they will be leaving some time shortly.

Mr. Pickersgill: Is any government representative going with them?

Mr. Hamilton (Qu'Appelle): Not to my knowledge.

ROYAL CANADIAN AIR FORCE

INQUIRY AS TO PURCHASE OF PREFABRICATED HOMES

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of National Defence. Has the government made any decision on the purchase of 1,000 prefabricated homes for R.C.A.F. personnel and their families living on remote stations where building conditions are difficult and costly? If not, will the minister give consideration to the attractive prefabricated movable five room dwelling manufactured at the Canada Car plant at Fort William, which is of sturdy construction capable of withstanding the rigours of the far north?

Mr. Speaker: Order. The hon. member's enthusiasm for his constituency seems to be taking him beyond the bounds of propriety. I suggest that he put the first part of his question on the order paper and take up the other part on the estimates.

NATIONAL DEFENCE

STATUS OF ORDER IN COUNCIL P.C. 4365 RESPECTING ACTIVE SERVICE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I inquire of the Secretary of State for External Affairs whether he has had an opportunity to get a legal interpretation of P.C. 4365 dealing with the Canadian forces with reference to the restoration of peace in the Republic of Korea, as to whether the order in council is still in effect or whether it has been spent.

Hon. Howard C. Green (Secretary of State for External Affairs): No, that information has not come to hand.

FLOODS

FOLEYET, ONT.—INQUIRY AS TO REQUEST FOR ASSISTANCE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister whether any request for assistance has come from the village of Foleyet with regard to the flood disaster which has overtaken them. If so, can he say whether the government can do anything to help these people?

Right Hon. J. G. Diefenbaker (Prime Minister): I have no knowledge of that matter. I cannot say that no request has been made but it certainly has not come to me personally. However, I will make inquiry and ascertain the situation.

[*Later:*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, would the Minister of National Defence inform the house whether the civil defence organization has been requested to assist in the rescue operations in the town of Foleyet and in minimizing the loss of property in the area?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, requests were received for assistance at Timmins; a helicopter was sent, and the armoury building was made available. I do not think any request has been received through the proper authorities for assistance at Foleyet.

TRANSPORT

KETTLE VALLEY RAILWAY—STATEMENT ON REQUEST FOR IMPROVEMENT IN SERVICE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): In connection with the answer I gave the hon. member for Kootenay West (Mr. Herridge) on Friday regarding the Kettle Valley railway, I should like to confirm to him that I have received no recent representations from representatives of railroad employees concerning an improvement in the service on this line, but I recall that when I was in that part of the province in 1958 the present hon. member for Kootenay East (Mr. McFarlane) spoke to me about this matter and Mr. Peter Dewdney, the Conservative candidate in Kootenay West, arranged an interview with me for representatives of the railway unions in the area. I listened to their representations and passed them on to the Canadian Pacific Railway Company.

As the hon. member knows, the board of transport commissioners issued a judgment under date of January 4, 1960, following a hearing of the matter, and which was given to the hon. member in the house on March 9 last.

CIVIL DEFENCE

SUGGESTED USE OF DISBANDED OBSERVER CORPS

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of National Defence whether,

in view of the decision to disband the observation corps consisting of some 55,000 individuals, any consideration will be given to the utilization of this body of Canadian citizens to assist in civil defence operations in Canada?

Hon. G. R. Pearkes (Minister of National Defence): Yes; careful consideration was given to that matter, and in some cases personnel will be employed in connection with the fall-out warnings.

IMMIGRATION

COMMONWEALTH CONFERENCE—PROTESTS AGAINST RACIAL DISCRIMINATION UNDER CANADIAN LAWS

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, since the Prime Minister mentioned migration in his report to the house today, can he inform the house whether any of the prime ministers at the London conference protested the racial discrimination of Canadian immigration laws and, if so, could the Prime Minister indicate the nature of his reply?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer is that no one discussed that matter at any time.

ATOMIC ENERGY

ESTABLISHMENT OF COMMITTEE TO CONSIDER POLICY, OPERATIONS AND EXPENDITURES

Hon. Gordon Churchill (Minister of Trade and Commerce) 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 nothwithstanding 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, I do not intend to dwell at great length on the subject of setting up this committee. The committee itself will have a great deal of work to do if it follows the course of the earlier committee of 1956, which assembled well over 400 pages of evidence. That makes it obvious that we cannot deal here, at the setting up of the committee, with all the matters which will come under its survey.

It has become customary for a select committee to look into the operations of non-departmental government research organizations once during each parliament. The 1950

committee examined the operations of the national research council. At that time the council had responsibility for atomic energy in addition to its other functions. The 1956 committee examined the role of government in non-military research, including Atomic Energy of Canada Limited and the national research council. The proposal now is that the present committee consider the policy, operations and expenditures of the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited. I should add that in 1956 Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited were under one head.

It is generally agreed that it is useful at intervals of four years or so to have a committee of the house examine the operations of the research organizations. The operations of a research organization are complex and require considerably more freedom and flexibility than is customary with other government operations. The technical complexity of the operations also makes it advisable for members in the house who are especially interested to obtain a more detailed knowledge of the operations of such organizations.

The Canadian research complex involves three parts; the universities, industry and government. The universities are the basis of the whole research structure, and there has been a very great development of university research in Canada over the past 40 years. In fact when the national research council was formed in 1917 its major activity was the development of scientific research in universities, and there is no question but that the present status of science in Canada is largely due to the support thus given by the national research council.

At the end of the first war there was little research in Canadian universities except in a few isolated instances. Largely because of national research council support a steady development occurred in the years from 1920-39, and this ran parallel to financial support provided by the national research council, which increased from roughly $14,000 in 1917-18 to $247,000 in 1938-39. In spite of this very considerable development, at the beginning of the last war we were still far behind university science in European countries and the United States. This was largely due to shortage of staff and lack of facilities.

The war brought about major developments, and by 1946 scientific research was becoming a major operation of all Canadian universities. This development was delayed in the early 1950's by the universities' financial position, but the considerable improvement in this position has resulted in a quite spectacular development in the last five years.

National research council support has kept pace with this development and has risen in recent years.

Industrial research in Canada, especially related to secondary industry, has suffered from some of the problems inherent in the flow of foreign capital into Canadian industry. Research frequently has been done entirely by the controlling company outside Canada. However, there has developed greater realization in recent years that Canadian companies, whether controlled from outside Canada or not, must perform research for themselves, and there has been a very satisfactory development of research in Canadian companies since the last war. Much remains to be done, but certainly the trend at the moment is an encouraging one.

The national research council has taken a considerable share in carrying on research for Canadian companies prior to the development of their own facilities, in encouraging the growth of research facilities in Canadian companies themselves and in co-operating with industrial research organizations once they come into existence. In general the development of industrial research organizations means greater awareness of problems and consequently results in more effort rather than less being necessary by the national research council in playing its part. Parallel to this development of research in Canadian industries there has, therefore, been a steady expansion of the national research council laboratories.

Government research in Canada in so far as it relates to the development of natural resources or primary products is the function of the appropriate departments concerned—agriculture, mines and technical surveys, northern affairs, and so on. This phase of research lies outside the scope of the proposed committee. In general the activity of the national research council is aimed at secondary industry rather than primary. It has, however, much broader duties than this. Its main functions consist of (1) General advice to the government on the position of science as a whole and on its relations with other activities of government. (2) It is the council's function to promote and encourage research, particularly in universities and it therefore administers a scholarship and grant-in-aid program of considerable magnitude. (3) The council in its laboratories performs research which is either direct toward secondary industry, toward fundamental science or toward fields which fall outside the specific responsibilities of the various government departments and agencies. (4) A further function of the national research council which becomes particularly important as industrial research in industry expands is that of co-ordinating research done by various organizations and of making sure that all interested parties are aware of what others are doing.

In order to keep pace with this, the council has developed a continually expanding group of committees for the purpose of co-ordinating research and various aspects of technology. At the present time the membership of such committees is over 3,300, with people drawn from the national research council, from other federal government organizations, from provincial organizations, from Canadian industry and from the universities. This committee structure has had a most important effect on Canadian scientific co-ordination.

I do not wish to go into these matters in detail since this is the function of the committee. It may, however, be worth while to mention briefly the developments which have taken place since the last committee met in 1956. As far as the national research council is concerned there have been no pronounced changes administratively. There has been, however, a noteworthy expansion in many ways. The university program has expanded greatly in order to keep up with the growth of Canadian university science, and the council's estimates for university support in science have risen from $3.0 million in 1956-57 to $9.2 million in the 1960-61 estimates. The laboratories have had a slow but steady increase. The total estimates of the council have risen from $18.6 million to $33.0 million in this period. This increase consists in part of a $6.2 million increase in university support in science. Correspondingly there has been an increase in laboratory operating estimates of $6.5 million, rising from $15 million to $21.5 million. The remaining change in estimates in the period has been brought about by an increase in capital estimates, by some increases in council revenue, and so on. In other words, during this period there has been an expansion of slightly over 200 per cent in the council's estimates for university support and of 43 per cent in the estimates for the operation of the council's laboratories.

The fundamental feature of the national research council has been its somewhat unusual governmental set-up which has developed over the past 40 years for the purpose of giving the council the flexibility and freedom which it needs to perform its functions. This flexibility is essential to the operations of the national research council, and its operations should be carried out in the future as in the past with sufficient independence to enable it to fulfil the purpose for which it was set up.

I do not intend to make a lengthy statement on Atomic Energy of Canada Limited

at this time. When the president of Atomic Energy of Canada Limited comes before the special committee he will not doubt wish to do so. There are, however, some general observations which I should like to make on introducing this resolution.

The government continues to support strongly the development of atomic power in this country. The special committee in 1956 in its final report hoped that Atomic Energy of Canada Limited would press forward in its work in the development of atomic power. This is being done. The estimates for the fiscal year ending March 31, 1961 for Atomic Energy of Canada Limited are $41,653,255 as against $32,092,300 for the 1959-60 fiscal year. This is an increase of $9,560,955 or 29.8 per cent.

The construction of the nuclear power demonstration station at Rolphton, Ontario, some 20 miles west of Chalk River on the Ottawa river, is well under way. Construction work should be finished by about the end of this year and the station should be operating a year from now. This nuclear power demonstration station has a rating of 20,000 kilowatts of electricity and will feed power into the Ontario Hydro grid system. It is being built to demonstrate the reliability of operation, the safety and the economics of the heavy water natural uranium type of reactor system. However, because the size of a reactor plant plays such an important role in the economy achieved, the cost per kilowatt-hour of power generated in this small station will be higher than for a conventional plant.

During the past four years and concurrently with the nuclear power demonstration program, the design and development of a full scale nuclear power plant has also been under way. The decision to proceed was based on the confidence of the design staff, the success of the nuclear power demonstration design, the success of the fuel development program at Chalk River, and on the realization that a full scale plant must be built and operated before the real costs of large stations can be known.

While Atomic Energy of Canada Limited is not a government department, parliament does exercise financial control over its operations. Treasury board reviews Atomic Energy of Canada Limited estimates in the same manner as it reviews those of government departments. The approved estimates are printed in the official estimates and in due course are considered and approved here in parliament.

Not many years ago, owing to security restrictions, there was very little information about atomic energy available to parliament or to the general public. Now the situation has changed completely. There is a very large and growing body of information available on atomic energy. Even the technical experts have, to some extent, to rely on abstracting services to keep themselves posted on what is being written. Last year Atomic Energy of Canada Limited alone issued 100 technical reports from Chalk River and had another 100 articles published in technical journals. A further 490 reports were prepared for internal use. I am informed that the Chalk River library now has 68,000 technical reports, and about 17,000 reports and micro cards are being added each year. A large number of these are being received from atomic energy organizations in other countries in exchange for the reports issued by Atomic Energy of Canada Limited. For the layman, Atomic Energy of Canada Limited prepares non-technical reports and brochures and puts on exhibitions.

With all the information now available about atomic energy the government considers it useful at this time to set up a special committee as proposed in the resolution. It will give the members of the special commitee an opportunity to learn more about the activities of Atomic Energy of Canada Limited and about the Canadian nuclear power program. Any questions about the program can be fully discussed and aired. The minutes of proceedings and evidence will be a valuable record. They will be very carefully studied by the atomic energy experts and those responsible for atomic energy programs in other countries; just as the accounts of similar hearings held in other atomic energy countries are read with interest here. Canada is recognized as being one of the five leading atomic energy countries in the world. In the development of nuclear power reactors using natural uranium as fuel and heavy water as the moderator we are recognized as the most advanced country. Other countries are watching our program with keen interest.

The third field of investigation for the committee is Eldorado Mining and Refining Limited. In 1956 when the former committee of the house met the operations of Eldorado were under review. The committee may wish to bring up to date the information pertaining to Eldorado in relation to its mines at Port Radium and Beaverlodge, its research and development activities and its program of uranium procurement and sales. In the intervening four years since the special committee of the house met in 1956 very considerable changes have taken place which the present proposed committee may wish to examine in detail.

The committee of 1956 held a series of 12 meetings throughout May and June.

of that year. A similar series may be held by this committee as it considers the three important areas under investigation, the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited. In the three fields Canada has been very progressive and has established a position of prominence that has been recognized by leading countries engaged in similar activities.

Mr. Armand Dumas (Villeneuve): Mr. Speaker, the purpose of this motion as explained by the minister is that a select committee be appointed to consider the policies, operations and expenditures of the national research council, of the atomic energy corporation and of Eldorado Mining and Refining Limited. This is, as the minister said, a large undertaking more especially if we take into consideration the fact that we may be on the last leg of this session. It is certainly unfortunate that this motion could not have been brought forward before now.

Of course the order of procedure in committee and more particularly the order in which any one of the three crown companies will be called to appear before the committee, the number of witnesses who will be heard and the number of sittings which the committee will be able to hold are matters being left to the committee itself through the steering committee which will be appointed. However, in view of the great interest across Canada in the future and development of atomic energy for peaceful purposes, in view of the recent controversy as regards the different methods of producing nuclear power and in view also of the amount of publicity which appeared in all Canadian newspapers during the last five or six months regarding the policy and operation of Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited, I express the hope that the activity of these two crown companies will be studied first.

In expressing this hope I do not wish to minimize the importance of the work of the national research council. On the contrary I feel that the work of the council is growing in importance and it is very appropriate that a thorough survey of its accomplishments since 1956 be made so that hon. members of parliament and the public in general know that in this field of general research we are not lagging behind.

On the other hand, time is running short and it would be most unfortunate if before the end of the present session we were not able to have a complete survey made of atomic research and all the activities of Eldorado Mining and Refining Limited. In previous parliaments committees of a similar nature were set up. The first was in 1949 and that committee was known as the committee on atomic energy. In 1950 a special committee known as the committee on the national research council was established and sat for some time and thoroughly examined the operations of that crown company. In 1953 there was a second committee on atomic energy and finally in 1956, as the minister said, another special committee was established to examine into the role of government in the field of non-military research in Canada including operations in the field of atomic energy and in the work of the national research council. I understand that at that time, four years ago, a complete review was made of the activities of Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited.

We are aware that the national research council is well and efficiently operated and administered. The work of the council is of great importance to the country. Its achievements have contributed much in advancing material welfare in Canada. It contributes to the economic development of the country and the welfare of our people. We must also admit that it is an important adjunct in the defence of this country.

In 1956 we were told of the fine co-operation which existed between the council and industry. It was explained then that a free and constant flow of personnel and information is maintained between the council laboratories and industrial laboratories thus providing a most important source of information and assistance to the work of the council. In the early days of its history associated committees were established by the national research council and they have continued since. Hundreds of specialists have graciously and freely brought their knowledge and experience to bear upon the solution of many research problems. They have given their time and energy free of charge, as I have just said, and in doing this they have been a source of great strength to the council. For this they certainly deserve our most sincere thanks.

At this point I wish to extend to the officers and personnel of the national research council our congratulations and thanks for the fine work they are doing. The actual governing body of the national research council is an honorary advisory council consisting of 17 appointed members who are not government employees. They are men eminent in their fields such as university executives, deans, professors, industrialists, engineers and labour leaders. These men also bring freely to the council's deliberations their

talents, experience and achievements, things that cannot be purchased by money. These men speak with authority. They are experienced in their own field and receive no monetary remuneration. Certainly these gentlemen together with those I have mentioned earlier deserve our sincere gratitude and that of the country.

On this side of the house we feel it is appropriate for parliament to review again the activities of the national research council and to get acquainted with proposed future research developments. In fact we are of the opinion that it is highly important that members of parliament and Canadians in general be more familiar with all that is being done by the national research council to improve our technological know-how and the welfare of the nation.

During the past months there has been an increased interest across the country in some of the possibilities as well as in some of the problems for the peaceful application of atomic energy. Certainly, there is no subject which has excited more interest in recent years, and no subject about which there is still more confusion. This is readily understood. First of all, it has momentous implications for the future of mankind. Used for belligerent purposes by ambitious powers it can bring devastation to the whole world. Used for peaceful purposes it can bring untold benefits to mankind.

The most important civilian application of atomic energy is, without any doubt, the generation of nuclear power. There are also many other fields where atomic energy will play an important role in the future. How important those other uses may eventually become no one can tell.

The possibilities of using atomic energy for generating nuclear power have been the subject of a great number of articles and editorials in the newspapers of this country during the last five or six months. We have read long dissertations regarding peaceful applications of this tremendous source of energy. We have read many controversial statements on the kind of reactors that should be built for generating power, of the kind of material that should be used in such reactors, that is, natural uranium or enriched uranium, heavy water or graphite, and so forth.

We have heard of the plight of the uranium extracting industry and of the communities depending on this industry. In my opinion, Mr. Speaker, most of what we have read in the newspapers has contributed to the confusion, and a great number of Canadians are also of the opinion that the present government, by its inaction, by its lack of policy, has also contributed to confuse the issue.

There is no doubt that the Canadian people expect that this committee, with the help of the personnel of both or, I should say, maybe the three crown companies and the co-operation of outside witnesses, will be able to throw some light on the whole subject.

From the beginning Canada has played an important role in the development of atomic energy. Over the years our country has contributed much to the growing store of knowledge in this new and very complicated field. Canada, in many ways, has led the world in the development of atomic energy for peaceful uses. The first bombs for therapy for cancer treatment were produced at the atomic energy plant at Chalk River. I believe I am right when I say that, apart from the United States, Canada had the first reactor which was put into operation at Chalk River in 1945.

Our scientists and engineers are world leaders in natural uranium and heavy water reactors. There is no question that the NRX and NRU reactors at Chalk River are two of the finest research reactors known in the world. It is very appropriate that Canada should be taking a leading part at this time in the peaceful application of atomic energy, because many of the fundamental properties of radioactive elements and isotopes were discovered here by our own people.

It is commonly agreed that Canada must be included with those countries which are in the forefront in the development of nuclear science.

There is considerable difference of opinion as to the most suitable reactor which should be used for producing nuclear power. In the early days of Chalk River the NRX reactor was built and later the NRU. Both reactors were designed to use natural uranium and heavy water, and both were and are still considered fine reactors. First, design and feasibility studies were started early in 1954. From those studies came the outlined specifications for the demonstration power reactor, known as the NPD, nuclear power demonstrator, which is now being built, as the minister said, and I was very glad to hear it would be in operation in 1961, as previously foreseen. The nuclear fuel will be natural uranium and the moderator and primary coolant will be heavy water. This reactor was designed and is being built to produce or generate 20,000 kilowatts.

In 1955 and 1956, concurrently with the NPD program, a design study of a larger nuclear power station, with a capacity 10 times larger than the NPD, was carried out. The project has since been named the CANDU, Canadian deuterium uranium. Final

approval to proceed with the engineering development phase of the CANDU was given in 1958, and we were told then that it would take three or four years to complete these preliminary studies and that by that time a reliable cost estimate of producing power with this reactor would be available. I hope that during the hearings of the committee we shall be able to get some definite figures, or close figures, on the probable cost of producing power in the NPD, and maybe the experts can deduce the cost of producing power in the CANDU. We were also informed that once a final decision is taken to go ahead with the construction of the CANDU it would take four of five years to have it in operation. As much as we are able to appreciate the quality of the experimental work which has been completed to date, we can say that we are well on our way and we will soon be producing nuclear power with a reactor using natural uranium and heavy water.

During the past year a certain amount of criticism has been directed toward this program and Atomic Energy of Canada Limited has been blamed for having concentrated its work on one kind of reactor only, namely that of using heavy water and natural uranium. As it is—and I do not pose as an expert—I am not convinced that these criticisms are well founded. First of all, scientists and engineers who in the past have made a high reputation for themselves have started on a program which they believed was the right one. They have stuck with it, and it is undeniable that they have attained a certain amount of success. Second, we must not forget that our resources place some limit on our ability to undertake a highly diversified program. This is clearly understood, and I for one think that it is much better to do one job well than to do several jobs poorly. However, I believe I am on solid ground when I say that the majority of us here are not experts in this field of atomic energy and that only when we have heard the pros and cons will we be able to judge what is being done at the present time.

There are a great number of questions to be answered by those who will appear before this proposed committee. I am sure the committee will have full co-operation from the witnesses and in this way its work will be much easier and more satisfactory.

The present state of the uranium industry, Mr. Speaker, is not too encouraging. During the last world war, with the Belgian Congo we were the only producers of this metal. In the post-war years military demand continued to be the driving force in the world-wide search for uranium and the opening of new mines. During the past five years our country became a major producer and in 1959 some 15,000 tons of uranium oxide, having a total value of more than $300 million, were processed in the 25 Canadian operating mines. During that same period large deposits of uranium were discovered in the United States, and during the course of the last two years it became apparent that the United States atomic energy commission, which was our most important client, might reduce its purchases of uranium from Canada.

Under contracts with Canada which were to expire March 31, 1962, and March 31, 1963, the United States atomic energy commission had the option of extending its purchases through December 31, 1966. In August, 1959 the Canadian government was informed by letter that the government of the United States would not exercise any portion of the options to purchase Canadian uranium in the post-1962 period. This was disclosed only on November 6, 1959 when the arrangements made by Eldorado Mining and Refining Limited and the Uinted States atomic energy commission and the United Kingdom atomic energy authority to allow a stretch-out of deliveries of uranium to December 31, 1966 were announced. This drastic action of our friends and clients took the floor from under the industry and from now until the end of 1966 the production of uranium in this country will gradually decline from 15,000 tons, as it was last year, to a mere few hundred tons in 1966 or 1967.

Canada unfortunately is the first country to feel the impact of the growing surplus of uranium. I must repeat that it is hard to understand the do-nothing policy of the present government during the latter part of 1958 and all of 1959 regarding our sales of uranium to the United States. The Canadian industry was developed at the urging of the United States government to satisfy the needs of that country for vital sources of uranium oxide. Even after the discovery of large reserves, fears of shortage persisted in the minds of our friends to the south, so much so that they continued to take options on the Canadian production after 1962.

It is very difficult to understand why the present government did not press further the case of the Canadian uranium industry when there was still time to negotiate some satisfactory arrangement. The United States atomic energy commission should have at least consented to exercise part of its options in the post-1962 period. No, Mr. Speaker, the government paid absolutely no attention to our requests for action. The government paid no attention to a reasonable request presented to it by Canadian Metal Mining Association

in January, 1959. One of the recommendations of the Canadian Metal Mining Association was to this effect, and I should like to quote it again:

The government of Canada do everything in its power—

That was in January, 1959.

—to have the government of the United States exercise its options on Canadian uranium production up to December 31, 1966, and give, at the earliest possible date, notification of its intention to do so.

Nothing was done officially by the Canadian government previous to August 7, 1959 when the Canadian chargé d'affaires ad interim wrote to the secretary of state of the United States. At this point I wish to put the contents of these letters on the record. The letter from our chargé d'affaires is dated August 7, 1959 and is addressed to the Hon. Christian A. Herter, secretary of state of the United States, Washington, D.C. It reads as follows:

Sir,

I have the honour to refer to the options for the purchase of Canadian uranium between 1962 and 1966 held by the United States atomic energy commission.

As the United States government is fully aware, the Canadian uranium industry was expanded to its present level of output primarily to supply the nuclear source material required for defence needs. The Canadian government considers it essential that the industry now be enabled to maintain itself on a sound and economic basis so that it may continue to serve those and other requirements and assumes that the United States government shares the view that this is a desirable objective. In these circumstances and in order that the Canadian uranium industry may be in a position to consider what steps can be taken to bring production and probable demand more nearly into balance my government wishes to ask whether the United States atomic energy commission will be authorized to exercise some or all of its options on Canadian production between 1962 and 1966.

In asking for an advance clarification of this point, I feel that I may rely upon the close and mutually beneficial co-operation in this field which has long existed between our two countries.

Accept, sir, the renewed assurances of my highest consideration.

That is signed by Mr. R. A. Farquharson, chargé d'affaires ad interim. The answer to the letter of the chargé d'affaires is dated August 28, 1959 and is addressed to His Excellency A. D. P. Heeney, ambassador of Canada, and reads as follows:

Excellency:

I have the honour to refer to your note No. 476 of August 7, 1959 regarding the exercise of options by the United States atomic energy commission for the purchase of Canadian uranium between 1962 and 1966.

Discussions have taken place between the department of state and the atomic energy commission, and the department has been informed that the commission will not be in a position to exercise any of these options by March 31, 1961.

The government of the United States is not unmindful of the contribution made by the government of Canada in supplying uranium for the defence of the free world both during and after world war II and also for the development of peaceful uses of atomic energy.

However, the atomic energy commission is presently committed to purchase more uranium during the next three years than it requires. Considering the surplus that will be acquired during these years, the commission probably is fully committed for its uranium requirements for the next four or five years. Beyond that there are still heavy commitments, principally with domestic producers, which extend to the end of 1966.

The present position of over-commitment is due to larger increases in domestic production than anticipated. The United States atomic energy commission has already taken steps to stretch out domestic deliveries and to limit its obligations under a domestic procurement program publicly announced in 1956.

Therefore, it is with the greatest regret that the government of the United States must inform the government of Canada that it will not be in a position to exercise its options.

In view of the importance of this matter the substance of this note has been discussed with the President.

Accept, Excellency, the renewed assurances of my highest consideration.

These two letters, reveal, first of all, that it was the chargé d'affaires who communicated with the secretary of state of the United States.

Mr. Churchill: Would the hon. member permit a question? Was that not because our ambassador, Mr. Heeney, was ill at that time?

Mr. Dumas: He may have been ill at that time. I appreciate that, but there must have been a higher ranking officer at the embassy when Mr. Heeney was away. I will go further than that. I have already mentioned that this statement should have been presented through the highest channels. I feel that the Prime Minister (Mr. Diefenbaker) himself should have got in touch with the President of the United States. I have said that previously. A much more effective procedure should have been followed. This problem deserved at that time the personal attention of the Prime Minister. The Prime Minister should have discussed this matter personally with the President of the United States.

Now it is too late and from 1960 on we are left with an industry which will produce less and less uranium. This is an extraordinary thing. This will be the first industry which will be called on to cut down. We have a tremendous amount of uranium. Of course I understand that there are also large amounts of uranium in some other countries. In the United States there is a tremendous amount of uranium. As was mentioned in the answer to His Excellency Mr. Heeney, the United States said they are committed to buy uranium from their own producers until 1966; I refer to the production of uranium after 1962. Of

course, charity begins at home; there is no question about that. However, I feel that the United States government should have taken up or exercised part of the options in the post-1962 period.

Whatever the long term prospects for the uranium industry may be, it is clear that the communities depending on this industry, namely Elliot Lake, Bancroft and Uranium City, are experiencing serious trouble.

Mr. Speaker: Order. I did not have the opportunity to hear the minister speak and I am not sure how much he opened up in his address in moving this motion. However, I think it is appropriate to remind the hon. member who has the floor and others who may speak that the motion is to appoint a committee to consider matters such as those which the hon. member is now discussing. He really should direct his remarks to the desirability of appointing the committee illustrating them as he may properly do by the matters which should be brought before the committee or which the committee could usefully consider. But it is going beyond the scope of the motion to present to the house now matters which should be presented to the committee or in other words to debate matters with which the committee ought to deal. I feel obliged to say that cautionary word and to express the hope that this debate, which could range all over the place, will be directed fairly closely to the precise subject before the house, namely the desirability of setting up this committee to review these three particular operations.

Mr. Pearson: May I ask, Mr. Speaker, for your guidance? On a resolution of this kind that proposes to set up a committee dealing with two crown corporations which are directly concerned with the uranium industry is it in order to discuss the present situation and the operations of that industry in respect of this motion?

Mr. Speaker: I think that is probably what the hon. member is doing so I am not really answering a hypothetical question. In my view it would be relevant to discuss or to mention the state of the uranium industry in communities as illustrative of the desirability of having the committee review these problems. However, I suggest that is not relevant to debate at length the matters which the proposed committee is to consider.

Mr. Dumas: I will abide by what you have said, Mr. Speaker, but I hope you will permit me to finish the remarks I started when I was interrupted. I was saying that whatever the long term prospects for the uranium industry may be, it is clear that the communities depending on this industry, namely Elliot Lake, Bancroft and Uranium City, are experiencing serious trouble and their problem is not one to which it is easy to find a solution. I admit that it is a difficult problem. However, Elliot Lake, for instance, with a population of close to 25,000 at the end of 1959 has seen its population come down to maybe about 20,000 or 21,000, and the prospects are that it will stabilize at about 15,000.

Mr. Churchill: I rise on a point of order. I did not want to interrupt the hon. member because he has made a very constructive speech indeed; but if we now enter into the field of discussing the communities that will be suffering from unemployment, that is a much broader field than is indicated in the setting up of a committee. I did not touch on those subjects in the course of my opening remarks.

Mr. Speaker: I have no doubt that what the minister says is so. After cautioning the hon. member, I perhaps gave him the nod to finish what he was saying. However, I hope he will bring those remarks to a close and will relate his discussion of these problems to the necessity of having this committee.

Mr. Dumas: I have only a few more remarks to make. Of course the minister is right in saying that he did not touch on the problem. He could not very well touch on it because it is a thorn in the government's side. However, I will abide by what you have said, Mr. Speaker.

Energy is one of the keys to our national growth. On a per head basis we are one of the largest users of electricity. It is clear that in the near future the need for more extensive power resources will continue to be increasingly felt in the more populous and highly industrialized areas and provinces of this country. Ten to fifteen years from now we may have to produce twice as much energy as we are producing now.

For this reason careful consideration should be given to the possibility of developing electrical power by nuclear reactors. If we succeed, some portion—however small it is—of our domestic uranium production will be put to work in this country, thereby avoiding the large importations of coal, with the necessary adverse effect on Canada's balance of trade with the United States.

Canada has had an early start in the science of atomic energy and has been one of the pioneer countries in research for peaceful uses of this tremendous source of energy. Are we now lagging behind? I do not think

so. However, this is one of the questions which will have to be answered before this proposed committee.

Another question which will have to be answered is the following one: are we experimenting with the right kind of reactors? Again, I believe we are, but there are many people who are not of this opinion. This controversy will also have to be resolved.

Are we following up on prospective markets for uranium? This is one question which will have to be answered by the minister himself. I hope the minister will be present at this committee and I hope that we shall have for once a clear outline of the policy of the present government on uranium and on atomic energy. I can tell the minister that we will try to give him all the co-operation possible.

Mr. Arnold Peters (Timiskaming): We welcome the setting up of this committee, Mr. Speaker, but I think we view it with some anticipation and some regrets. If we took 20 members, which is the size of this committee, out of the house this afternoon it would appear that there would be no sitting at all. We would either not be sitting in the committee or not sitting in the house, because there are only approximately 20 of us here at the present time.

Mr. Speaker: Order. The hon. member is out of order in pursuing that line.

Mr. Peters: Mr. Speaker, I am referring to part three of the resolution which gives the committee power to sit while the house is sitting.

Mr. Speaker: The hon. member has the right to refer to the numbers of the committee but not to the numbers in the house.

Mr. Peters: I was trying to indicate how difficult it will be to sit on all these committees and at the same time maintain attendance in the house, particularly for a small group.

We are very pleased that this committee is to be formed. It would appear that the three organizations which will be brought before us are the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited, all connected in a very immediate sense with the production of uranium and atomic energy and power. If there is any place where we have been ridiculous in our natural resources it has been in this field of uranium and atomic energy. The previous speaker pointed out how it was his opinion that we should have signed options to take effect in 1962 and that other things which should have been done could have been done. But the fact is that we neglected to set up this type of committee when we went into the production of uranium in the first place.

Mr. Speaker, it seems to me that we are putting the cart ahead of the horse even yet because of the situation in the towns which are affected by the production of uranium and the results which have taken place in those towns. When we originally went into the production of uranium Canada should obviously have had a more firm guarantee from the United States that they would participate in that program beyond the five-year limit. It would seem to me that the previous government showed very little regard for the people who would be working in those areas of Elliot Lake, Bancroft and Uranium City when they signed contracts of only five years' duration.

It would seem to me also that they were remiss in their duty in allowing the companies to set up such gigantic operations as they did. I do not believe it was ever the intention of the government to extend to mining companies the rights which they now have on such a large scale. In the Elliot Lake area the total cost of going into production will be paid for in a period of five years, and the complete operation as far as the money invested is concerned it is based on the proposition that you will get your money back at the end of five years' time. These are factors which the government should have concerned itself with in years gone by. These are some of the things the previous government did nothing about and which the present government is doing very little about.

Mr. Speaker, while it is not mentioned in the resolution, I would hope that we are now going to hear a report from the committee which has been set up by the government to investigate the methods of assisting the communities which have been concerned with the production of uranium. Recently, in fact today, I received a phone call from Elliot Lake and they are very concerned in that area not only with unemployment but—

Mr. Speaker: Order. If the hon. member will refer to the resolution he will see it relates to the establishment of a committee to consider the policy, operations and expenditures of the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited. I see nothing in the resolution authorizing the committee to deal with the specific problems which have been discussed by the house concerning Elliot Lake, and even if it is within the purview of the committee, it is something for the committee to decide when it sits. Discussion of the policy or the effect

or result of the policy followed by these three bodies should be deferred until the committee meets and the problems are brought before the committee; they should not be discussed in the house.

Mr. Peters: One of the reasons I assume the committee is being set up is that the resolution mentions it is setting up a select committee to consider the policy, operations and expenditures of the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited. This call I received referred to Atomic Energy of Canada Limited and its policy in buying uranium and as related to the stretching out of contracts now taking place. It also referred to the sale which is taking place through Eldorado Mining and Refining Limited in relationship to the contracts of some of the companies which have not been able to continue operations. As I understand it, not only have they been unable to make arrangements when the company itself says it can continue to operate, but arguments have been put forward to Mr. Gilchrist of Eldorado in which they pointed out that the company is capable of making a contribution in the area. I should like to refer to one case, the case of Stanrock. Their case will be before Eldorado before very long and Mr. Gilchrist has already heard representations from them.

Mr. Churchill: Mr. Speaker, on a point of order, I hesitate to interrupt again but I think we are wandering rather far afield in discussing individual contracts or proposed changes, and things of that nature. I think we should really restrict our remarks to the advantages or disadvantages of setting up this committee.

Mr. Speaker: What the hon. member is saying now, without of course prejudging the issue, would appear to me to be a relevant matter to bring before the committee. But at this time the house is not concerned with the rights and wrongs of the policies of these crown corporations; it is only concerned with whether it should set up the committee in order to delegate to that committee the responsibility of hearing about those policies. If we permit a debate on those policies here, we only duplicate rather than save the time of hon. members of the house.

Mr. McIlraith: Mr. Speaker, as I understand the matter, what is before the house for decision is the wisdom of whether or not a committee should be set up to examine into these matters. How can the house pass judgment on that question if it does not know what is the type of problem that requires examination by the committee, and the type of problem which requires examination surely is the question of contracts made by Atomic Energy of Canada Limited as the government's buying agency for all uranium in Canada. Surely the house must know something about whether there are questions outstanding pertaining to those contracts and other related matters before it can decide whether a committee should be set up. While it is true that these matters can all be discussed by the select committee, surely they can also be discussed here in order that the house can reach a decision as to the wisdom, or lack of it, in setting up the committee.

[Mr. Speaker.]

Mr. Speaker: I agree to this extent, as I have already said, that to illustrate the problems which call for the attention of this committee it is in order to outline what the problems are, but not to debate them. Surely the hon. member for Ottawa West (Mr. McIlraith) does not contend that on a motion to set up a committee to hear these matters the house would be justified in spending its time in hearing matters which could be presented to the committee. I do not want to draw too fine a line but, really, the discussion of the results and effects of the policies of these three corporations should only be brought into this debate as illustrations of the need to set up a committee.

Mr. Argue: I wonder if I might add a word on this point of order? I wish merely to say that the minister, introducing this resolution, dealt at some length with the question of research. We have heard a long speech containg detailed discussion of research questions, and in line with your ruling that there can be some reference to the policies being followed, though not a detailed discussion, I merely wish to point out that there has been a fairly wide discussion of research as it is carried on by these various organizations.

Mr. Speaker: The hon. member was perhaps not here when I said I did not have the privilege of hearing the minister, and that I did not know how widely he had opened the discussion of this subject. I certainly would not wish to prevent a discussion of anything which was contained in the minister's discussion of the matter, within reasonable limits.

Mr. Churchill: On this point, may I offer a correction to the hon. member for Assiniboia. I did say more about research than about some of the other matters to come before the committee, but it was a factual report on the things which the national research council has been doing. I did not deal with questions of policy concerning any of the three organizations under consideration.

Mr. Peters: All I wanted to say was that we are not satisfied with the operation of the committee that is being set up by the government, the committee that could probably be called the Elliot Lake committee, because we are not getting any reports on it.

Mr. Churchill: The hon. member is now discussing an entirely different matter. He is discussing some other committee. I thought our purpose now was to discuss the setting up of this committee to investigate Eldorado Mining and Refining, and so on.

Mr. Peters: If the minister would just wait a moment, I intend to relate my remarks to that subject. What we are interested in is a much better method of handling this problem as it affects atomic energy, the Eldorado organization and the production of uranium. We are not satisfied with the situation as it has developed up to now. There is, I believe, a very dangerous tendency to combine all the problems of the uranium industry in one field. In my opinion, they are diversified.

The problem of uranium contracts has, I think, been discussed this afternoon—the contracts with the United States, and the circumstances in which this problem developed. I suggest that this proposed committee would have an obligation to call representatives of the industry before it, representatives of the companies which are now producing uranium for Atomic Energy of Canada Limited and for exports to the United States, in addition to representatives of the unions concerned in order that they may put their views forward.

As I began to say, Mr. Gilchrist from the Eldorado organization hears the presentations by the various companies following which he or, if you like, the cabinet make decisions as to which companies shall continue to operate and which shall not. It seems to me that this is the same problem which faces us, though on a bigger scale, in relation even to the type of uranium to be developed in Canada at the present time. I shall not discuss the question of enriched uranium as against natural uranium or whether we should use a graphite coolant or a heavy water coolant, although these are problems which are in fact being discussed widely throughout the country. There is no agreement on this question. Neither is there agreement among the top people in the industry that the contracts are being allocated on a proper basis. We believe that Eldorado itself should be able to bid for contracts when made available by mines which themselves indicate that they are not going to make a success of their operations during the limited time they have to run.

Mr. Churchill: I was waiting for the hon. member to finish his paragraph, but I feel obliged on a question of privilege to correct his statement that Mr. Gilchrist, president of Eldorado Mining and Refining Company Limited, determines whether contracts are awarded or not. That is an incorrect statement.

Mr. Peters: As I understand it, he does the hearing. If you, Mr. Speaker, would allow me to state the case, I understand that at the present time he is hearing representations from Stanrock, an independent mine in the Elliot Lake area. The unions and the company have made their presentations. The company has stated it would be able to make $40 million gross on its contract. They have six million pounds of uranium on their contract yet to produce. They have stated they should be able to pay their shareholders $2,500,000 in dividends before that contract expires.

Mr. Churchill: I really must rise again on a point of order because I think we are getting far afield from the purpose of this motion by discussing special contracts, offers, and things of that nature that are happening in the uranium industry. The questions that the hon. member has in mind may be raised during the sittings of the committee, but surely not at this stage.

Mr. Speaker: I fully agree that the details of these matters which could be brought before the committee itself should not take up the time of the house now. Otherwise there would be no point in setting up the committee. The hon. member has indicated the questions which concern him and certain people and which he feels could properly be brought before the committee. To that extent he is in order, but it is not in order to discuss the details.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am glad to see this resolution before us, and trust the committee will be set up as soon as possible. I am gratified to see the wide terms of reference, particularly with regard to policy, which have been provided and which will enable the committee to engage upon the broadest possible survey of the substantive matters mentioned in the resolution.

I hope that the committee will, in fact, direct its attention to a considerable and serious discussion of the direction which our present research and development in atomic energy power is now taking. Frankly, this is a technical and complex subject, somewhat beyond me, but when I hear the hon. member for Villeneuve (Mr. Dumas), who is a competent professional engineer, vouchsafing his misgivings I certainly have no reason to be ashamed to say what I have said. While I

realize that this is a subject of great technical breadth and depth yet, I think it is safe to say that I share the concern in the minds of many people as to whether we in Canada—and this is one problem which, I trust, the committee will investigate—by restricting our development and research to the heavy water type of atomic reactor are not putting all our atomic eggs into one basket, particularly in view of the fact that in the United States they have established several diffusion plants which are engaged in the production of enriched uranium.

That is an area which I trust this committee will carefully study. I say that because not only as a member of this house but as a Canadian I have a personal interest in this subject also in the sense that I come from the near north which is the source of much of our uranium production and the potential source of more and which contains the most logical place for the large quantities of hydro power required for the production of enriched uranium, namely at the proposed Peace river dam. I hope therefore the committee will give some serious thought to our policy in connection with the grave, vexatious and complex problem of atomic power production in Canada.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to say a few words on this motion. I wish to point out first that it is now May 16 and on February 16, two months ago today, as reported at page 1108 of *Hansard* I asked the Prime Minister (Mr. Diefenbaker) a question in these words:

> I should like to ask the Prime Minister whether he will consider discussing with the house leader the possibility of making arrangements to move at the earliest possible moment the motion setting up a select committee to consider the policy, operations and expenditures of the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited, so the question of the future of the uranium industry, which is of such national importance, as well as one involving grave local emergencies, can be fully discussed at an early date.

In reply the Prime Minister said:

> I think the committee in question, if the house agrees, should be convened at the earliest possible date.

That was two months ago and we are only now considering this motion. I thought at that time it would be a motion to permit us to discuss the whole future of the Canadian uranium industry, and at an early date.

There have been similar motions moved in the past setting up a committee for this purpose, as the hon. member for Villeneuve (Mr. Dumas) has said. In the light of what is and what is not permissible in a discussion of this kind it is interesting to recall that when the motion was made on February 24, 1956 by a predecessor of my hon. friend who has moved this motion, the discussion on that motion ranged far and wide over the whole question of government atomic energy policy and indeed the discussion covered 63 pages of *Hansard*.

Mr. Churchill: Yes, it lasted two and a half days.

Mr. Pearson: Yes, and to this discussion my hon. friend made his own contribution.

Mr. Churchill: No, I did not take part in it. I did not agree at the time that the discussion should take so long.

Mr. Pearson: The present Secretary of State for External Affairs (Mr. Green) certainly had a long contribution to make beginning on page 1700 of *Hansard* of that date. In any event the discussion took two and a half days and covered 63 pages of the record.

We have substantially the same motion before us today to set up a committee to consider the policy and operations of these governmental agencies and whether in our view it is wise to set up this committee for that purpose. Two of these agencies, I need hardly point out to the house, deal with the uranium industry and atomic energy generally up to the point where one of them, I believe I am right in saying, is the sole marketing agency for this commodity.

My friend the hon. member for Villeneuve speaking on this motion has already indicated the importance which has been attached in the past and which perhaps will be attached to an even greater extent in the future to research. I should like to join the hon. gentleman in the tribute he paid to the agencies in question which are referred to in this motion and to the work they have done and are doing to the skill and devotion of the officials, the officers and the workers of these three government corporations, although I think the national research council hardly qualifies as a government corporation.

Nothing could be more important than research in the development of our country and nothing could be more important than the work done in that field by these agencies of the government. Perhaps in the future a great deal more will have to be done in this field because it is becoming increasingly obvious that no country can keep up in development unless it keeps up in research. It is sad to think that at this time hundreds of millions of dollars are being spent on defence with results which to say the least are inadequate to meet the emergencies of the time when, yet compared to that amount

so little is being appropriated for the kind of research which would be of inestimable benefit to the development of our country.

I want to say a few words about the uranium industry because it is one of the matters which will undoubtedly be discussed by the committee. I think it is appropriate to consider the state of that industry at the present time before the committee is set up. No doubt the committee will go into the matter in detail and will call witnesses and experts, but this is an opportunity to give our views in the house on the subject which is covered by the words "policy and operations" of these agencies as those words appear in the motion.

Mr. Speaker: Before the hon. member goes on, in view of his indication of what he intends to say, may I say there have been some unfortunate precedents in the past of allowing extended debates on motions to set up committees. I am not sure whether those were accounted for by the common consent of the house that a debate take place in general terms on all the matters which would come before the committee, but I would hope that the house would follow what in my mind is a more correct precedent of debating the desirability of setting up the committee, illustrating that point as the hon. gentleman is entitled to do by reference to the present state of the industry in so far as it is involved in the matters referred to the committee. What I want to guard against —and I ask for the co-operation of the house in this—is covering here what will have to come before the committee and will be the subject of debate when the committee reports so that we do not triplicate our efforts.

Mr. Pearson: Without regard to what may have been done on earlier occasions and which is perhaps irrelevant to your ruling I will do my best to keep within the limits Your Honour has set down.

One of the matters which undoubtedly will have to be discussed by the committee and indeed it is one of the most important subjects will be civil uses of atomic energy. Already there has been some indication in this debate as to the importance of that matter and the progress which is being made in that regard. As has already been pointed out, we in this country have taken our stand on one type of heavy water reactor. I am in no position to support or criticize that decision because it is a highly technical decision and naturally one can only be guided by the technical advice one receives on a matter of such complicated scientific importance.

In any event the decision has been made and when the committee meets no doubt there will be experts brought before the committee to explain and justify that decision. One effect of the decision which has already created its own controversies in Canada among those who are on both sides qualified to have views on this matter has been to put us in a different situation in regard to the development of atomic energy for peaceful purposes in the future from that which faces the United States in its development program today because they have apparently decided to proceed with the development of a different kind of reactor.

In due course we shall find out who is right, or who is wrong, or, indeed, perhaps both will be right, or conceivably even both may be wrong; but the fact remains that at the present time the divergence in policy and decision in this matter between the two countries does constitute a problem for the development of Canada in this field in so far as the use of uranium and the export of uranium are concerned because the United States will be competing with us in this field and it is a competition which is going to be, as it has already been, very difficult for us to meet. I say that because the United States has great resources at its disposal; it can offer reactors to other countries, make agreements covering the use of uranium by other countries, build reactors for them free, or on credit arrangements we cannot meet. That condition, because of the nature of the reactor in which only enriched uranium can be used—and we do not produce enriched uranium—poses a problem which we shall have to face.

It may be that one day in this country we shall have to go into the field of enriched uranium. I hope it will be one of the matters which will come before this committee, where we can get expert opinion because, as the minister knows, there are even contrary views on that subject. Perhaps we shall be able to come to some conclusion in the committee as to the cost and the desirability, or the undesirability, of proceeding at this time or in the near future with a plant for the production of enriched uranium in Canada, how much it will cost if we were to proceed with it, and all that kind of thing. Because we are going to have very great difficulties indeed in developing markets in the world for our uranium if we have to compete with the United States under contracts, the kind of which I have indicated and which would require the users of the reactors constructed by the United States to purchase a certain type of uranium which cannot be secured from Canada.

There are other limitations in our expansion in this field that we shall have to face. There is the limitation brought about in the existing individual agreements, the bilateral

agreements we make with other countries by international agreement. I know that these limitations are pretty strong but I think they are such, because of the nature of this commodity and the use to which it is being put in other fields than for peaceful purposes, as are valid at this time. It may, however, cause us difficulty if other exporters of uranium do not accept the same limitations in the same way as we do.

There is, of course, another difficulty facing the uranium industries immediately, a far more serious difficulty than the potential one which I have mentioned, and that is the state of the industry arising out of the refusal of the United States to take up the options in the contracts that were made between agencies of the two governments some years ago. I would think, Mr. Speaker, that this would be one of the most important matters that could be brought before this committee. It is one that should be discussed before the committee in all of its aspects, its scientific, commercial aspect, it employment aspect and, if you like, also its diplomatic aspects.

The circumstances of the original contract, the circumstances under which it was signed, I think are pretty well known to the house and, in view of the importance of this matter as a subject for discussion in the committee, I hope I may be permitted to trace the circumstances but not at any great length. It is well to remember that it is only a few years ago when we negotiated this contract with the United States in circumstances which, of course, were very different from those which existed last autumn when the question of taking up the options came up. I recall, as other hon. members will recall, that the Canadian government of that day was begged to explore with every possible rapidity to discover and to develop every ounce of uranium that could be found in this country as a product which was of vital importance for not only American but for collective defence generally. We were begged at that time to proceed with all possible speed and it was in those circumstances that a contract was signed for a five-year period, with an option to renew, at a time when there was such a shortage of uranium in the world that it was stated by our friends to the south that if they could not count on the supplies that were available in Canada collective defence would be jeopardized. So the development took place of which we are aware, and which no doubt will be considered in all of its ramifications by the committee which is being set up.

At that time, Mr. Speaker, there was no question in anybody's mind about an oversupply of uranium; there was a great fear in a lot of people's mind about an undersupply of uranium. At that time, when this question came before a committee of this house of the type we are proposing to set up now, the preoccupation in the minds of the members of that committee was whether—and I mentioned this in the house before—we should tie up our available production of uranium for such a long period as five years. The government of that day was criticized by the opposition of the time because we had committed ourselves for five years to the shipment of all the uranium we could produce under those contracts to one source of consumption, the United States of America. If it was impossible at that time to foresee the future, did the same situation prevail a couple of years ago when the circumstances had very greatly changed?

Will you call it six o'clock, Mr. Speaker?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Pearson: Mr. Speaker, at six o'clock I was discussing, not in detail but in general, the circumstances surrounding the signing of the contract between the United States and Canada with regard to the purchase of uranium. This is obviously one of the matters which the committee will wish to go into in detail because it has had an important bearing on the development and the recent slowing down of this important industry in Canada.

As I pointed out, at the time the contract was signed there was a condition of shortage in this vital defence material but it became quite clear subsequent to the signing of the contract that it was the policy of the United States government to encourage and subsidize exploration and development within its own boundaries. It was successful in doing this in terms of domestic production to the point where by 1959 United States production had risen to a total of 16,300 tons of uranium oxide per year contrasted with 15,497 tons of Canadian production. There is an interesting review of this development in the monthly review of the Bank of Nova Scotia for March, 1960, entitled "Uranium and Atomic Energy", which gives some information it would be interesting for the committee to have and which confirms what I have just said, that beginning in 1955 the United States made a big effort to increase its own production of this commodity, with the results I have just mentioned.

It was quite obvious after 1956, when this development was in full swing, that if the United States were to continue to give contracts to its domestic producers this constituted a threat to the developing Canadian industry which development was taking place at the urgent request of the United States authorities. It seemed quite obvious to me, and I have expressed this view in the House of Commons more than once in the last two years, that if the Canadian industry was to be protected, if the options were to be taken up in whole or, more likely, in part, then this would require diplomatic intervention at the highest level in both governments.

This afternoon the hon. member for Villeneuve put on the record the report which was tabled in the house which showed that that kind of intervention did not take place, that there was merely one note sent to the United States government from the Canadian embassy calling the attention of the United States authorities to this development and its effect on the Canadian industry; a note which was sent by the chargé d'affaires ad interim who was the information counsellor in the embassy and, incidentally, one of the best information officers any embassy of any government could have.

As a result the United States informed us last August that they were not going to take up any of these options. That information was not made public until late October of 1959 and as a result of that decision on the part of the United States government, a decision which I claim does not reflect the kind of industrial defence co-operation between the two countries which is so often claimed to be in effect, the industry in Canada today is in its present deteriorating position. This is one of the matters which the committee will wish to go into in great detail.

Since the United States has taken this decision—we have an even greater grievance against the United States on this point—with the disastrous effect it has had on the Canadian industry, the government of the United States, if my information is correct, has given new contracts to its own producers at a time when our production is being cut off. I, as has perhaps the minister, have read a magazine called *Mining World* for February, 1960 in which there is a great deal of detailed information about new contracts that has been given by the United States authorities to United States producers in this year and extending through 1966.

I claim that if we had some cause to complain about the decision last summer to ignore the options we have even greater cause to complain at subsequent activities of the United States atomic energy authorities in increasing production in their own country since that time when ours is suffering from the decision taken by the United States, which has ignored a situation in which they were so interested four or five years ago when we were asked to sign this contract. That is one of the things that this committee will want to go into in great detail. We will certainly wish to get all the information we can as to what the government did or did not do to protect the Canadian industry.

I was going to go on, Mr. Speaker, to discuss the effect of this decision on some Canadian localities in terms of employment and in other respects but I bow to your ruling on this matter. No doubt that is something the committee will be able to discuss. Perhaps also we will have another opportunity to discuss it in the house later in the session. Meanwhile I should like to say in conclusion that, as the hon. member for Villeneuve has pointed out, we welcome the establishment of this committee. We asked for it three months ago and we were told then that it would be set up shortly. It is now May 16 and the committee will be set up shortly after May 16. We will co-operate in the work of that committee as best we can and we hope there will be some constructive results from it.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to say a very few words at this stage of the discussion of the resolution which is to set up a committee to study the policy, operations and expenditures of the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited. I think it is very much in order that crown corporations or other emanations of the crown should appear before parliamentary committees from time to time to discuss with members of the House of Commons their operations. We support every effort that is being made by these organizations in the field of research and research for peaceful uses for atomic energy as we feel this is a particular matter to which Canada should give emphasis.

My main purpose in rising is to bring to the minister's attention once again requests that he has received, I believe, from various organizations in Saskatchewan having to do with Eldorado Mining and Refining Limited and the situation at Uranium City, Saskatchewan. I believe that the Stanleigh uranium contract came up the other day for a bid and that Eldorado Mining and Refining Limited did not place a bid for that contract. The Uranium City chamber of commerce for some months now has been pressing the government with regard to the policy of Eldorado Mining and Refining Limited with regard to

bids for the purchase of unfilled uranium contracts. I have in mind a report which appeared in the Regina *Leader-Post* of November 16, 1959 and headed "Let Saskatchewan Mine buy Uranium Contracts". The first paragraph of it reads as follows:

> The Uranium City chamber of commerce and the municipal council Sunday expressed concern at reports that uranium producers in eastern Canada are exerting pressure on the federal government to withhold from Eldorado Mining and Refining Limited the right given other producers to purchase unfilled uranium contracts.

I would hope that the committee would give consideration to this request in discussing this matter with Eldorado Mining and Refining Limited. I would appreciate from the minister any information he can give the house as to the policy of this company. As far as my information is concerned, I feel that this is a reasonable request that has been made. The people of Uranium City in Saskatchewan are just as much concerned over the position of the uranium industry as are the people at Elliot Lake, Bancroft and other areas that are affected.

I believe that a further communication went to the minister early this month, that it reiterates the position taken in November and asks once again that Eldorado Mining and Refining Limited should exercise the right to place bids on these unfilled uranium contracts.

The minister will appreciate the situation at Uranium City. In answering a question of mine the other day and a question of the hon. member for Port Arthur (Mr. Fisher) he informed the house that two people from his department were making a survey of the situation at Uranium City. We hope that a report is received at an early date on which action can be taken to assist this community. But I would ask the minister, on behalf of the people of Uranium City and those who are affected, to give consideration, as the minister reporting for Eldorado Mining and Refining Limited, to the suggestion that this company along with others should have the opportunity to exercise the right to bid on unfilled uranium contracts so that the effect of the depression now prevalent in the uranium industry will not fall unduly on the community of Uranium City.

Motion agreed to.

TRANS-CANADA HIGHWAY ACT

AMENDMENTS TO EXTEND PERIOD OF PAYMENTS AND INCREASE MAXIMUM EXPENDITURES

The house resumed from Thursday, April 28, consideration in committee of Bill No. C-57, to amend the Trans-Canada Highway Act—Mr. Walker—Mr. Rea in the chair.

[Mr. Argue.]

On clause 1—*Termination of contributions.*

Mr. Bourget: I should like again to ask the minister if he would like to tell the house whether, according to this bill, the province of Quebec will be able to take advantage of this program and also will be entitled to recover 50 per cent of the cost of previous construction, that is to say construction done between 1928 and 1949. I asked a question of the minister, Mr. Chairman. I wonder whether the minister heard the question.

Mr. Walker: I thought my friend must be indulging in the humour for which he is famous, Mr. Chairman. This question has been ruled out of order seven times in the debate thus far and it has nothing to do with the matter before the committee. We are considering clause 1 of the bill. The question of Quebec has nothing to do with it. This is a Trans-Canada Highway Act amendment. Nine provinces are participating in it. The province of Quebec is not a participant. In clause 1 we are considering extending the time for the completion of the highway until 1963. That is the only matter before the committee at this time. The matter was discussed ad nauseam on the principle at the resolution stage and on second reading and my hon. friend has asked the same question. *Hansard* is studded with it. I thought he was joking tonight when he asked that question. Under all the circumstances, Mr. Chairman, I do not wish to appear to be out of order in trying to answer a question which has been declared by the Chair so many times to be out of order. I therefore refuse even to attempt to answer any such questions directed to me further by my hon. friend. I say this in all good faith and in upholding the ruling of the Chair.

Mr. Bourget: As a member of the House of Commons and a representative of the province of Quebec and when we are voting under this bill $50 million for the next three years, am I not entitled to receive an answer from the minister? Am I out of order, Mr. Chairman? I would like to know from you whether I am out of order when I ask if the province of Quebec is entitled to take part in this program and also to recoup 50 per cent of the cost of construction of prior work done on the roads in the province today. I think I am in order and that the minister was wrong to tell me that I was out of order.

Mr. Pickersgill: Mr. Chairman, on the point of order raised by the minister I would draw Your Honour's attention to the fact that the minister is a very recent arrival in this house, not too familiar yet with the rules of the house and even less so with the practice of the house. The minister does not seem

to realize that this bill is an amendment to a measure which provides for agreements not with nine provinces of Canada but with all ten, and the mere fact that one of the provincial governments up to now has not seen fit to enter that agreement does not alter the fact that the legislation which was put on the statute books in 1949 and has been amended several times since applies to all ten provinces and all parts of Canada. Before we are asked, as we are being asked in this bill, to vote a considerably larger sum of money, surely the representatives in this parliament from a province representing one third of the population are entitled to know what this measure really means in relation to that province. That is all the hon. member for Levis is asking and that is what the minister in his arrogant fashion is refusing to tell this house.

Mr. Argue: Mr. Chairman, as I read the provisions of this bill they apply to the trans-Canada highway program under the Trans-Canada Highway Act, which is available to all ten provinces. That was my understanding of the act when it was first passed. I do not believe that this government has done anything, at least to my knowledge, to bar the province of Quebec from coming into the agreement. My hon. friend from Levis is certainly entitled to ask whether or not this legislation provides for payments for the province of Quebec and whether that province could receive part of the cost of highway construction already completed along this particular route. For the life of me I do not understand the attitude of the minister in saying "I refuse to answer". I do not know of any other minister at any previous time, certainly in my experience in the house, who has refused to answer a question which is obviously in order.

Mr. Walker: Mr. Chairman, does the hon. member for Assiniboia, the legal spokesman for the C.C.F. group, not admit that the question I have been asked tonight has been ruled out of order six or seven times by the chairman in the last debate?

Mr. Argue: I am not aware of that fact at all.

Mr. Walker: You were away campaigning.

Mr. Argue: If it had been ruled out of order then I would hope the chairman tonight would rectify the wrong that has been done. I cannot understand the Minister of Public Works holding parliament in contempt to the extent of refusing to answer a question that is in order, since this act applies to all provinces. Campaigning seems to be in the mind and on the tongue of the Minister of Public Works. I do not think he should take it upon himself to judge whether or not his answers will have a favourable or an adverse effect on any election campaign now going on in Canada.

The point is that this act provides for payments from the federal treasury to any province in this country undertaking to build a trans-Canada highway under the terms of this act, and I believe the hon. member for Levis is perfectly in order in asking the question. I presume the Minister of Public Works takes it as his own responsibility to refuse to give information to the house.

I have a question that I would like to ask the minister—

Mr. Pickersgill: I am sure the hon. member for Assiniboia would wish the Chair to rule on this matter before any other matter is brought up.

Mr. Argue: I was just making my speech.

The Deputy Chairman: I am inclined to think that this is perhaps an argument on this matter between two hon. members. I feel that the first part of the question is relevant to the bill. The second part of the question as to whether or not they could recoup moneys paid out in the past I am not convinced is relevant to the bill. That is my feeling.

Mr. Roberge: Mr. Chairman, would you hear me on this point. Clause 1 of the bill says:

> No contributions or payments shall be made under this act
> (a) after the 31st day of May, 1964—

There is no question under the act as to whether it is contributions for work now done or for work which was done before. I think there is a great difference and that the question of the hon. member for Levis should be in order.

The Deputy Chairman: I think that is strictly a legal interpretation of the wording in clause 1.

Mr. Argue: Mr. Chairman, in discussing a similar amendment on a former occasion the minister of public works of that day informed parliament that certain studies, I believe they were, were being undertaken with regard to the whole question of highways in this country and highway policy. I am wondering if the minister would care to inform the committee whether consideration is now being given to the development and future implementation of a highway policy in this country, something that I believe is very badly needed and about which I feel the government has received representations from time to time.

I think that this bill before the committee is an integral part of any such policy but I would appreciate it if the minister would answer this question. He did not appear to be in the best frame of mind when he first spoke this evening, but I had the pleasure of hearing him a few nights ago when he spoke at a banquet sponsored by the Rotary Club at which a number of guests, young students from across Canada, were being entertained following their stay in Ottawa and were participating in a very worth while endeavour called "Adventures in Citizenship". I would hope the Minister of Public Works might get into the same jovial frame of mind he was in that evening; he was exceedingly entertaining. I am not looking to be entertained tonight particularly, but I think the Canadian public would be very much interested in any remarks the minister might make as to studies that are being undertaken toward the development of a highway policy in this country.

Mr. Walker: Mr. Chairman, may I say that I discussed the question put to me by the hon. member many, many times at the resolution stage and on second reading, and at the moment we are in committee on the first clause of this bill. However, if it will please the hon. member and if I have your permission, Mr. Chairman, may I repeat what I said on that occasion: until this trans-Canada highway is complete or close to completion, this government does not intend even to consider any further trans-Canada highway or any national plan. However, we in the department are contemplating at all times many matters including possibilities for the future, and the hon. member will probably see the wisdom of this. Nevertheless, we have no intention of considering any secondary scheme until the first is within range of completion. In saying this I am only reiterating the words of the Prime Minister which I read into the record on the resolution stage of this bill.

Mr. Argue: If I may make a very brief reply, I should like to say that I feel the government is in error in restricting its highway activity to the limited area covered by this legislation. I believe that on the basis of resources and on the basis of employment needs it is time the government should develop a broader policy and embark on a national highway program which would include a second trans-Canada highway.

The Deputy Chairman: Order. I think it was decided some time ago in committee that no reference could be made to a second trans-Canada highway. I was not in the chair at the time.

[Mr. Argue.]

Mr. Robichaud: I wonder if the minister could tell the committee if he has received any representations from the premier of Nova Scotia or the premier of New Brunswick to the effect that the federal contribution to this trans-Canada highway plan was too low and, if so, what consideration was given to any such requests.

Mr. Walker: That is a very broad question but according to all my knowledge I have no recollection of having received any such intimations from either one of the premiers of the two provinces mentioned, either of whom can probably appreciate that at this time it is hardly possible to change the contributory percentage under the act, this having gone on now for nearly ten years. However, we have had a request from both provinces, that the time should be extended, and that is one of the reasons we are considering clause 1 tonight, to extend it until 1963.

Mr. Bourget: I should like to come back to my question and read it again. Would the minister tell the house if according to this bill the province of Quebec would be able to take part in this program. That is the first part of my question.

Mr. Walker: That is a matter for the province of Quebec.

Mr. Roberge: I appreciate the minister's answer when he says it is a matter for the province of Quebec to decide, but I should like to know if and when the province of Quebec chooses to put itself into the plan, is the province going to be able to recuperate what is has lost so far?

The Deputy Chairman: That was the second part of the question of the hon. member for Levis, and the Chair rules it out of order.

Mr. Bourget: Looking at the bill, one sees that clause 1 reads as follows:

> (4) No contributions or payments shall be made under this act
> (a) after the 31st day of May, 1964 or
> (b) in respect of any construction costs that were incurred after the 31st day of December, 1963.

Now I am asking the minister a simple question: can Quebec recuperate in respect of the work done by the province between 1928 and 1949. I do remember that in 1949, when the bill was first introduced in this house, there was no time limit in respect of which the federal government could pay a province for construction work done on the trans-Canada highway, so I think my question is in order.

The Deputy Chairman: I am sorry, but I have been looking over this bill carefully and I cannot see where recuperation of expenses retroactively is relevant to the measure. I

think that is a question which could be asked, perhaps, on the estimates of the Department of Public Works.

Mr. Roberge: On that point, the bill says:

No contributions or payments shall be made under this act . . .

(b) in respect of any construction costs that were incurred after the 31st day of December, 1963.

If no contribution can be made after that date, it surely means that contributions can be made before that date in respect of construction work that was carried out before. I would therefore think that the question asked by the hon. member for Levis is relevant.

The Deputy Chairman: The Chair cannot give legal interpretations. I can only give procedural interpretations and the one I give is the one I think is right in the circumstances.

Mr. Pickersgill: I should like to ask the minister if under the section which is now being amended in order to extend the time any payments have been made during the currency of the parent act to the government of any province in respect of any work done before 1949.

Mr. Walker: The answer is, yes.

Mr. Pickersgill: Then I should like to ask the minister a second question. I should like to ask him if the legislation we are now being asked to pass involves any discrimination against any one of the ten provinces of Canada.

Mr. Walker: The hon. gentleman should go back to law school. The answer to that question is, obviously, no.

Mr. Pickersgill: Does that mean that the province of Quebec, if it chose to make an agreement, would be treated in exactly the same manner as the other provinces which already have agreements?

Mr. Walker: The hon. and learned member for Bonavista-Twillingate with his tremendous self-confessed ability at asking questions and making propositions and interpreting the law must realize that this is the eleventh time now that a question has been asked tonight which has been declared on previous occasions—and by yourself, Mr. Chairman—to be out of order.

Mr. Pickersgill: I submit that my question did not relate to any other question whatsoever that was asked. My question was very simple. It was: would the government of the province of Quebec be treated, if it chose to make an agreement under this legislation now being extended, and which it is open to the government of Quebec to enter, in the same way as the other provinces, or in a different way? That has no relation to any other question which has been asked and I feel that before we are asked to vote this money the minister should assure us that all the provinces will be treated equally and that the province of Quebec will be given exactly the same treatment as the other provinces.

Mr. Walker: The Trans-Canada Highway Act was brought in under the administration of the hon. gentleman when he was the acting prime minister or the prime minister behind the scenes. I mean, the hon. member is going to write about it in a book on the life of Mackenzie King which will be coming out in published form shortly.

Mr. Pickersgill: This was when Mr. St. Laurent was prime minister.

Mr. Walker: In short, Mr. Chairman, this is entirely out of order. We are discussing the Trans-Canada Highway Act. We speak about contributions being made under this act not after December 31, 1963. There are only nine signatories to this act at the present time. Nine of the ten provinces are signatories. We cannot conjecture in this regard. We cannot answer hypothetical questions.

Mr. Pickersgill: Rubbish.

Mr. Walker: My hon. friend might just as easily have asked some questions about the summit. They would have been just about as relevant. With the greatest respect, if my hon. friend would stop wiggling and confine himself to sitting still for a few minutes undisturbed and unperturbed with complete equanimity and imperturbability, I will finish my answer. The hon. member for Bonavista-Twillingate is, as usual, completely and absolutely out of order and I would ask you, Mr. Chairman, not to be intimidated by the loud talk of the hon. member.

Mr. Pickersgill: Mr. Chairman, I am not going to waste my time or yours by replying in kind to that sort of cheap performance. It is unworthy of the committee and does not need any reply. I am going to say, however, that if the minister refuses to answer the question there will be only one conclusion we can draw. The question is not hypothetical at all. I would remind the minister that when this legislation was first enacted by the house in 1949 there were agreements with no provinces and when the minister of that day introduced that legislation he did not refuse to tell the members of the committee of that day what would be in the agreements with the provinces because he had a respect for parliament and for the rights of parliament.

This legislation provides for agreements with ten provinces. It is not a hypothetical question at all to ask whether the agreement with the tenth province, if it were made, would be on the same basis as the agreements with the other nine. If the minister wants to leave the impression by refusing to answer the question that it is the intention of this government to discriminate against the province of Quebec he can go ahead and leave that impression. That is certainly the impression he is going to leave unless the hon. gentleman gives a plain and unequivocal answer to that perfectly reasonable question.

Mr. Grafftey: Mr. Lesage can fight his own battles.

Mr. Argue: I have one question to ask the minister. Could the hon. gentleman tell the committee whether or not the nine provinces that have agreements with the federal government under this act are treated equally?

Mr. Walker: Yes. As I explained to hon. members at the resolution stage and again on second reading, all provinces are treated in exactly the same manner so far as the Trans-Canada Highway Act is concerned. The participation of the dominion government in the act was to complete a trans-Canada highway just the same as we have a trans-Canada railway. Each province entered into exactly the same agreement except for the schedule which gave to each province the task of completing that part of the highway within its own borders. That is the purpose of it all. The province of Saskatchewan has very ably completed its task. The task is done and the province has been paid. When the other provinces will have completed their tasks in accordance with the terms of the agreements they too will be paid. For that reason all parties have been treated fairly according to the contract each and everyone of the nine signed.

Mr. Argue: I appreciate the minister's answer. I did not think it could be otherwise. I therefore fail to understand why the hon. gentleman refuses to answer the simple question as to whether, if the tenth province came into the agreement, it would be treated equitably with the other nine.

Mr. Grafftey: The hon. gentleman knows the answer already.

Mr. Argue: No, I do not. Since the minister will not answer that fair, simple and pertinent question we can draw only one conclusion, that this government would at least consider discriminating against the province of Quebec under this act. I think that is an absolute shame.

Some hon. Members: Oh, oh.

[Mr. Pickersgill.]

Mr. Walker: Mr. Chairman, in reply to my frienzied hon. friend who is the great authority on wheat from Assiniboia—

Mr. Brunsden: The hon. gentleman is not even that.

Mr. Walker: The hon. member for Medicine Hat denies him that, too. However, the hon. member for Assiniboia must surely be an authority on something. He is certainly not an authority on this act.

In reply may I simply say that the province of Quebec is able at all times to make whatever requests it wishes of us and will do so as and when it wishes. The fairness of this government in its treatment of the provinces is best illustrated by the manner in which the university grants were disposed of recently by this house. There is no province with which the Diefenbaker government has better or more amicable relations than with the distinguished government of the province of Quebec.

I can assure you, Mr. Chairman, that if it were within my purview to answer these hypothetical questions which you have declared to be out of order as did the chairman, I would be most delighted to do so but it would be quite improper for me even to attempt to do so. I therefore am going to maintain the determination I made at the beginning of this debate and my hon. friends may go on to make all the imputations and insults they like but nevertheless I reiterate that I am being fair with the committee in refusing to try to give accurate answers to completely hypothetical questions regarding a situation that does not exist except in the imagination of some of the hon. members.

I have been told that one should stick to the bill and I am doing my best in this respect. I will strive to stick to section 1 of this bill which asks for an extension of the time till 1963. That is all that is before the committee at the present time.

Mr. Roberge: Mr. Chairman, I understood the minister to say that the matter before the committee is the extension of the act to 1963. We are now in 1960.

Mr. Bigg: No.

Mr. Roberge: Do we understand that if Quebec comes into the plan between now and 1963 they will have a full share of the federal contribution that all the provinces heretofore had?

The Deputy Chairman: In my humble opinion there is no retroactive provision in this bill. Accordingly, I think questions in this regard are not relevant to clause 1. I hope I will not have to remind hon. members about this again.

Mr. Grafftey: We are witnessing Mr. Lesage's puppet show.

Mr. Roberge: Mr. Chairman, I should like to put another question to the minister. Up till now was there any request by the provincial government of Quebec to participate in the plan?

Mr. Walker: No, Mr. Chairman, there has been no request. I of course resent very much the suggestion which only the hon. member for Assiniboia would have the effrontery to make, that there has been any discrimination. This government is guilty of no discrimination at any time to any province including the province of Quebec and not even the hon. member for Levis would suggest that.

Mr. Argue: To keep the record straight, I did not suggest there was discrimination. I assume the minister would agree that if Quebec wanted to come in under the act that province would receive equitable treatment. The minister would not say. Why he would not, I cannot imagine unless perhaps he wishes to discriminate against Quebec—

Mr. Grafftey: A false innuendo.

The Deputy Chairman: Order.

Mr. Argue: —if and when that province should be desirous of coming in under the act.

Mr. Bell (Saint John-Albert): We want Fisher; we want Fisher.

Mr. Argue: I feel strongly that the people of Quebec should be getting the same benefits under this act that are accruing to the citizens of other provinces.

Mr. Bigg: Stick to wheat.

Mr. Argue: The reason they are not getting these benefits has been a decision of their provincial government.

Mr. Ricard: The government of Quebec does not need the hon. member's help to make a decision either.

Mr. Argue: I trust that if and when Quebec comes under the provisions of this act this government will not even consider discriminating against that province.

Mr. Pickersgill: Mr. Chairman, I would draw Your Honour's attention to the explanatory note in section 1 of this act, which says:

> This amendment would extend for three years the period during which contributions or payments may be made to the provinces—

It does not say the nine provinces, it says "to the provinces" and clearly implies all of them. I continue:

> —under the act and would prolong for three years the period in respect of which constructior costs may be incurred under this act.

I have been a member of this house somewhat longer than the Minister of Public Works and I have been observing it for 20 years, and I have never before known any minister of the crown, in dealing with legislation on a matter having to do with agreements that are to be made with another government, refusing to tell us what authority he was asking for and what authority he was getting from parliament to do these things.

The minister seems to have forgotten that he is responsible to parliament; that he is the servant of this house, not its master, and that he is asking this parliament to continue for three more years the authority which was given to the government to make agreements, or to continue agreements, with the provinces of Canada, including the province of Quebec. Surely before we are asked to extend the period of time and to vote a very large sum of money the parliament of Canada, the representatives of the taxpayers, are entitled to know precisely the terms and conditions under which this money can be spent. That is all we are asking for, Mr. Chairman.

I would draw your attention to the fact that the explanatory note to this clause says precisely that. There can be no question that the government is asking for three more years in which it may be possible to reach agreement with the government of Quebec in a co-operative effort to build a trans-Canada highway through that province. That is not hypothetical; it is an actual question, what kind of agreement the government would make. Parliament never intended that the government should make one kind of agreement with one province and another kind of agreement with another province. All we are seeking to find out is whether the government does in fact intend to treat the government of Quebec in the same way as it has treated the governments of the other nine provinces, and we cannot get any answer. The only conclusion we can draw is the conclusion drawn by the hon. member for Assiniboia that the government intends, if Quebec does try to come in, to shortchange it.

Mr. Grafftey: A foul innuendo.

Mr. Roberge: Mr. Chairman, I was not in this house in 1949. Right now I do not have time to check in the library, but I should like to ask the minister a few questions. I think he should know the answers to these questions because he knows everything, or professes to know everything. I think the province of Newfoundland came into the scheme the same time as it came into confederation, namely in 1949. I should like to

know from the minister exactly what time the other provinces—of course we know that Quebec did not come into the plan—came into the plan.

Some hon. Members: Carried.

Mr. Roberge: No. I would think the minister is waiting for his official to tell him.

Mr. Walker: Mr. Chairman, the other nine provinces came into the scheme sometime between 1949 and 1952.

With regard to the charge of the hon. member for Bonavista-Twillingate, some day he is going to be a lawyer, three, four or five years from now, and I should like to reply to him by saying that his statement is *reductio ad absurdum*. Perhaps he will look it up and find out what it means.

Mr. Roberge: The minister gave the answer that the eight provinces at the time came into the scheme between 1949 and 1952. Will the minister tell the committee what provinces came in in 1959 and which ones came in in 1950, 1951 and 1952?

Mr. Walker: You are in the wrong decade.

Mr. Roberge: What is that, I am in the wrong decade. I understood the minister to say—

Mr. Walker: You are in the wrong decade; you are talking about 1959.

Mr. Pickersgill: 1949.

Mr. Walker: *Hansard* will show that he said 1959. I am reading now from the report, which my friend has no doubt seen, of the proceedings for the fiscal year ended March 31, 1954, at which time he was in the house. At a meeting held in Ottawa on April 24, 1950, which was attended by representatives of all provinces, agreements were executed with the provinces of Ontario, Manitoba, British Columbia, Prince Edward Island, Saskatchewan, Alberta. The province of New Brunswick signed an agreement on May 27, 1950, and the province of Newfoundland signed on June 13, 1950. On May 15, 1952 Nova Scotia became the ninth province to conclude an agreement with the federal government for the construction of the trans-Canada highway.

Mr. Roberge: May I know from the minister whether the province of Nova Scotia, which signed an agreement in 1952, was able to secure reimbursement from the government for the actual cost of the construction that was undertaken before and which was made part of the trans-Canada highway?

[Mr. Roberge.]

Mr. Walker: I have no idea, Mr. Chairman. We are considering clause 1 of this bill.

The Deputy Chairman: Shall clause 1 carry?

Mr. Pickersgill: No, Mr. Chairman. Surely when we are being asked to extend this legislation we are entitled to know what has already happened under the legislation we are being asked to extend. It seems to me that it is a contempt of parliament for the minister to say it is none of our business to know whether the government of Nova Scotia was allowed to benefit by the provision in the original legislation which made it possible for the provinces to recover a part of the cost of the work that was recognized as of trans-Canada standard but which had been built before 1949.

Some hon. Members: Carried.

The Deputy Chairman: Shall clause 1 carry?

Mr. Pickersgill: No. Is the minister not going to answer that?

Mr. Walker: No.

Mr. Bourget: May I ask the minister another simple question? Is this bill constitutional in all respects?

Mr. Walker: Obviously, the Mutt and Jeff team over there, sent down by the—

Mr. Bourget: The new plumber of the House of Commons should withdraw that.

Mr. Walker: I am very proud of being that, the Minister of Public Works, and enjoy it thoroughly. I think that the two speakeasies over there should confine themselves to clause 1 of this bill.

The Deputy Chairman: Order. I hope the minister will address himself to clause 1.

Mr. Walker: I thought clause 1 had passed, Mr. Chairman.

Mr. Pickersgill: No, it is not passed.

Mr. Walker: Again, Mr. Chairman, I will amend my remarks and say, let these two worthy members address themselves to clause 1 of the bill.

Mr. Bourget: Mr. Chairman, am I out of order in asking the minister the simple question whether the bill is constitutional in all respects? Such a question was asked just two days ago, was answered by the Minister of Finance, and I have the answer here. As members of parliament I think we are entitled not to be brushed aside by a plumber.

The Deputy Chairman: The hon. member can ask his question but the Chair cannot get an answer for him if the minister does not wish to answer.

Mr. Bourget: Mr. Chairman, according to what rule of the house does the minister not answer my question? It is a very simple and at the same time very important one, and the minister knows it. He can ask his parliamentary assistant who is from the province of Quebec. Can the minister tell us whether the bill is constitutional in all respects? That is my question. It is very simple.

The Deputy Chairman: Shall clause 1 carry?

Mr. Bourget: Mr. Chairman, I know why the minister does not want to answer that question. I refer to *Hansard* of April 28 when he said, "Does the hon. member know that a provincial election has been called in Quebec on the twenty second of June?" That is the second time we have received—

Some hon. Members: Order.

Mr. Bourget: —that kind of answer. Does it mean that when we are going to have a provincial election in Canada—

Some hon. Members: Order.

Mr. Bourget: —we are not entitled to receive answers to our questions?

Mr. Grafftey: You are getting funnier by the minute.

Mr. Bourget: You know the reputation you have.

The Deputy Chairman: Order. Shall clause 1 carry?

Mr. Pickersgill: Mr. Chairman, the question asked by the hon. member for Levis is precisely the same question as was asked in committee on another bill only two days ago of the Minister of Finance, who perhaps is not overly courteous in his answers but who did not hesitate for one second and did not object in the least to this question. We know that certain hon. members supporting the government have declared in the house that this legislation is of doubtful constitutionality. No less a member than the hon. member for Bellechasse has questioned the whole constitutional basis of this legislation, and we know the respect in which the hon. member for Bellechasse as a lawyer is held by hon. gentlemen opposite. In view of the question the hon. member for Bellechasse has raised with respect to the constitutionality of the bill it seems to me it is perfectly proper that my hon. friend should ask the minister if he has consulted the law officers of the crown and satisfied himself that the legislation he is asking parliament to enact is within the power of parliament to enact.

Mr. Walker: Mr. Chairman, it is out of order for my hon. friend to ask that question at this time, but for his information may I say that this bill, like any bill introduced by this administration, is constitutional.

Mr. Bourget: Thank you very much.

Clause agreed to.

On clause 2—*Aggregate limited to $400 million.*

Mr. Robichaud: This clause provides that the aggregate of all expenditures under certain sections of the act shall not exceed $400 million. I should like to ask the minister whether in reaching this estimate of $400 million provision has been made to cover the share of the province of Quebec should it decide to sign an agreement or is this amount of $400 million limited to the nine provinces that now have agreements?

Mr. Walker: I did not get the end of the hon. member's question. I should have been paying more attention. Did he ask whether the $50 million of the total of $400 million to be expended, $350 million having already been voted, is to be expended on all nine provinces?

Mr. Roberge: Ten.

Mr. Walker: The answer to that is that the $400 million will be expended on those provinces which are signatories to the Trans-Canada Highway Act.

Mr. Robichaud: In order to arrive at the amount of $400 million an estimate must have been made by the minister's department. In reaching the estimate of $400 million was consideration given only to the nine provinces now under this scheme or was provision made for the province of Quebec should it decide to enter into an agreement?

Mr. Walker: Mr. Chairman, all we can deal with are the facts. At the present time we have nine signatories to the Trans-Canada Highway Act, and the approximation of $400 million as the total amount to be paid out to these nine provinces is the approximation we have at the present time. We have nothing else to deal with. We have no other signatory except the nine provinces. So far only nine provinces have made any expenditures.

Mr. Pickersgill: I should like to put the question in a somewhat different way. Is it anticipated that the whole or practically the

whole of this $400 million will be required for the nine provinces that now have agreements?

Mr. Starr: That is what he said.

Mr. Pickersgill: No, that is not what he said.

Mr. Walker: I think I have answered that question.

Mr. Pickersgill: I should like the minister to answer that question yes or no. After all, whatever Your Honour may say about clause 1, clause 2 is asking parliament to vote money and surely there should be no equivocation about what we are voting the money for. We are now dealing with $400 million which is a lot of the taxpayers' money.

Mr. Walker: Fifty million dollars.

Mr. Pickersgill: It is true, as the minister interjects, that only $50 million is now being voted but even $50 million in my book is a lot of money. We are entitled to know whether the estimate of $400 million is in respect of the nine agreements in existence and no money is being provided in case Quebec should sign.

An hon. Member: He has answered that.

Mr. Pickersgill: Let the minister himself answer it.

An hon. Member: He has.

Mr. Pickersgill: I do not think he has.

An hon. Member: You should listen.

Mr. Pickersgill: Perhaps the hon. member might listen since he has no other contribution to make to the committee.

The Deputy Chairman: I must ask hon. members not to interrupt the hon. member who has the floor.

Mr. Pickersgill: I say that if we are to be treated with anything but contempt we are entitled to know whether this $400 million is the estimate for a complete road in the nine provinces or whether it is an estimate for a complete trans-Canada highway across the whole of Canada.

Mr. Walker: Mr. Chairman, I hate to be offending my hon. friend when he seems to be getting angry and charges me with contempt. I do not know whether it is contempt of him or contempt of the house. There is a great difference. I want to assure my hon. friend that I do not have contempt but the greatest respect and admiration for him and also, it goes without saying, for the other members of the house. But much as I should like to please my hon. friend, who has great experience in the art of cross-examination and who demands a yes or no answer just like that, with my limited powers of expression I cannot amplify in any more concise manner than I have already done, even at the risk of further hurting the feelings of my hon. and distinguished friend.

Mr. Bourget: May I ask the minister how the amount of $50 million is arrived at by provinces? An estimate must have been made in each of the participating provinces and I should like to know how this amount is arrived at by provinces.

Mr. Walker: In reply to the hon. member for Levis, may I say that the engineers have taken the amounts that each of the nine provinces has spent to date, added to them the estimates of the amounts which the provinces anticipate they will spend in the next three years and have come to an approximate figure of $400 million as the amount which the dominion government is providing to contribute to the trans-Canada highway to ensure its completion.

Mr. Bourget: Has the minister any assurance that the $50 million we are now voting will be sufficient to cover the completion of the trans-Canada highway in these nine provinces?

Mr. Walker: Seeing that we are not building the highway but that each of the nine provinces is building its respective share and having regard to the unfortunate experience of the former minister of public works, Mr. Winters, whose able parliamentary assistant was the hon. member for Levis, and his false calculations as to when the highway would be completed and as to the cost of the highway, I should not like to put myself on record as being definite on the result. Mr. Winters was so far off the mark that I would not want, three years from now, to be in the same position.

As to the figures we have and as to the knowledge we have at the present time, we anticipate that this sum of $400 million will approximately complete the contribution of the federal government to the trans-Canada highway, with the possible exception of the adopted province of my friend the hon. member for Bonavista-Twillingate, namely Newfoundland.

Mr. Robichaud: I do not think the minister has answered the question put to him by the hon. member for Levis. The hon. member has asked what amount was being estimated to be spent out of this $400 million or out of this $50 million additional we are being asked to pass today, or what amount is being allocated to each of the provinces under the scheme. We definitely know that all of that

money is not going to go to one or two provinces. We should like to know approximately what the estimate is for each of the provinces.

Mr. Walker: It has not been allocated yet. It is impossible to allocate these things until the time comes. It is a pool from which money will be spent if it is needed and as proof is given by each of the provinces that the expense has been incurred.

Mr. Bourget: The minister was making a comparison with Mr. Winters. We have here an item of $50 million. We do not know, according to the minister's answer, where it comes from or how it is made up. I hope the minister will recall the day when he was in another committee. I should like to ask this question and I think it is a fair one. Surely the calculation must have been made in order to arrive at the amount of $50 million. That is not $5; it is $50 million. Surely the engineers in the department must have the figures from each province and the minister should be able to tell us how much is going to be spent by provinces in the next three years.

Mr. Walker: I want to thank my hon. friend and tell him that if I came as close as he did I would be $150 million out. His minister, seconded by himself, was of the opinion that the trans-Canada highway would cost $250 million. It is going to cost $400 million.

Mr. Bourget: Your previous minister did not say anything last year.

Mr. Walker: Let my hon. friend keep his temper and I will read him the answer he wants. This is all going to be very nice and very friendly. It is now estimated that Canada will be called upon to contribute the following amounts to the provinces: Newfoundland, $30 million; Prince Edward Island, $7.5 million; Nova Scotia, $25.5 million; New Brunswick, $46 million; Ontario, $120 million; Manitoba, $21 million; Saskatchewan, $15.5 million; Alberta, $23.5 million; British Columbia, $111 million. In the schedules which were filed the other day when this matter last came before the committee, the amounts which have been committed for each of the provinces have been set out. I trust that answers my hon. friend's question.

Mr. Pickersgill: I should just like to draw the committee's attention to the fact, since the strictly non-partisan references were made by the minister, that we have had amending legislation brought into the House of Commons by the minister's predecessor only a short time ago and that these mistakes in time and mistakes in date at which the road would be completed and so on were all made by the minister's illustrious predecessor. It seems to me that the reference was quite uncalled for. But since it has been made it seems to me that the whole record should be put straight.

The Chairman: Shall clause 2 carry?

Mr. Peters: No. Before this clause carries may I ask the minister whether this $120 million allotted to Ontario is sufficient to complete the northern route of the trans-Canada highway or that which we now use as the trans-Canada highway and at the same time will it be enough to complete the southern route which is not completed as yet?

Mr. Walker: In reply to the hon. member for Timiskaming may I say that this sum of money would involve the participation by Ontario from border to border in the present trans-Canada highway.

Mr. Peters: My question is in relationship to the fact that we have in Ontario a northern trans-Canada route and also what is considered to be just a trans-Canada route. The northern route is now the route that is in use and it is not completed or at least not up to standard. At the same time it is expected that there will be a permanent southern route from Agawa up through Sault Ste. Marie. What I am asking is whether there is in this $120 million enough money for the federal contribution to complete the section we now use and to complete the new section.

Mr. Walker: This sum pertains to the only designated trans-Canada highway which is in the process of being built at the present time and which is set out in particular in schedule A in the contract between the dominion and the Ontario government. I appreciate the fact that my friend the hon. member for Timiskaming would like to have built a second trans-Canada northern route; but as he can appreciate, at the present time we cannot contemplate anything else except the completion of the first trans-Canada highway, and that is what this is for.

Mr. Peters: The minister may be aware of the fact that we are already using the northern route. It is a complete highway across Canada. But we should like the assurance that it is going to be brought up to regular standards along with the proposed route.

Mr. Walker: The province which fairly well had the fixing of this route did not designate the route to which my hon. friend is referring as part of the trans-Canada highway.

Mr. Peters: A sign was put up by the department saying it was the northern route of the trans-Canada highway.

Mr. Herridge: I have been most restrained, Mr. Chairman, but seeing that hon. members from other provinces are making certain that the interests of their provinces are protected in this legislation—

Mr. Walker: I think we need some of that particular brew which my hon. friend is going to use for the completion of this trans-Canada highway. We might use it to complete this debate.

Mr. Herridge: I apologize for my fit of coughing, for the relief of which I have been handed a glass of water. Can the minister inform the house whether sufficient provision is made in this bill to meet the needs for the completion of the trans-Canada highway in British Columbia?

Mr. Walker: We would certainly hope so. But you have a very volatile minister of highways out there called Mr. Gaglardi. If he spent more time in completing this highway than he spends in talking we would get along with it a great deal faster. We have allocated for British Columbia $111 million as an estimate of the contribution of the dominion which is more than one quarter of all the money being spent on this trans-Canada highway. It is sadly behind in its allocation.

Mr. Roberge: I would like to pursue the question asked by the hon. member for Kootenay West when speaking about British Columbia. Is there enough money to meet the needs of the province of Quebec if and when the government of that province decides to come into the plan?

Mr. Bourget: I have no more questions to ask; I just want to express one regret, and that is that the province of Quebec has been forgotten.

The Deputy Chairman: Shall clause 2 carry?

Mr. Pickersgill: Just before clause 2 carries, I also would like to express regret that the minister and the Prime Minister have completely repudiated the undertakings given to the people of Newfoundland by the provincial leader of their party in the name of the Prime Minister in the provincial election last year, and to say that considering the sacrifices that gentleman made, the unavailing sacrifices for their party, it is pretty shabby treatment.

Mr. Walker: Mr. Chairman, just in reply to that, the Prime Minister of Canada and myself as Minister of Public Works are doing everything in our power to fulfil just as rapidly as the premier of Newfoundland makes it possible for us to do so our obligations in regard to the trans-Canada highway. I do not think it is amiss to say that the contribution of the dominion to that trans-Canada highway in Newfoundland constitutes a tremendously larger sum than the contribution of the province of Newfoundland. I have nothing but sympathy for the desire of the Newfoundlanders that this part of the highway should be completed; but if their premier in his wisdom chooses to squander the money given his province by the dominion, properly designated to his province by the dominion, on so many odds and ends—

The Deputy Chairman: Order.

Mr. Walker: —and not complete the highway, then the hon. member for Bonavista-Twillingate should not come to this house and complain.

Mr. Pickersgill: Mr. Chairman, I would like to point out that I was not complaining about anything. I was just drawing attention to the fact that the provincial leader of the Conservative party, who offered himself as a sacrifice last year, was repudiated by his own party.

Mr. Nixon: Mr. Chairman, before the clause carries, did I understand the minister to say that this $120 million for Ontario is enough to complete the highway, that is the designated trans-Canada highway, through Sault Ste. Marie and on up along the north shore of lake Superior?

Mr. Walker: That is the information we received from the Ontario engineers, which seems to be corroborated by our supervising engineers.

(Translation):

Mr. Ratelle: Mr. Chairman, there is a point that interests me and I should like to direct a question to the minister. If I am not mistaken, the amount of $400 million that was mentioned would apply to nine provinces only. If tomorrow the province of Quebec should recognize that our sharing in the road building program is in no way unconstitutional, would there be enough money in the fund for that province? That is the point of particular interest to me.

(Text):

Mr. Walker: Mr. Chairman, that question has been pursued by this house all evening.

Clause 2 agreed to.

Title agreed to.

Bill reported.

Mr. Walker moved the third reading of the bill.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, before the bill passes I should like to make one or two observations. This bill is half a loaf and we recognize that half a loaf is better than no bread. But I want to express the regret which all of us on this side of the house feel about two aspects of the legislation which is now before us and the legislation which is being amended by this bill.

Mr. Walker: Mr. Speaker, for whom is the hon. member speaking?

Mr. Pickersgill: I am speaking on behalf of the Liberal opposition.

Some hon. Members: Where are they?

Mr. Walker: Did you have a caucus?

Mr. Pickersgill: I happen also to be a member of the house, though it seems difficult for the Minister of Public Works (Mr. Walker) to appreciate that fact.

As I was saying, sir, when we had one of the characteristic interruptions of the minister, we regret two features in this bill, one which we only smoked out with the greatest possible difficulty after a lot of quite unnecessary refusals by the minister to answer plain and obvious questions asking for information that any government with any regard for parliament would have given without being asked. We found that this legislation no longer applies to the province of Quebec at all, that if Quebec now wishes to make an agreement there is no money provided to carry out that agreement, no money voted by parliament, and it would therefore not be possible for Quebec to proceed with such a project until another bill had been brought before parliament for that purpose. We regret that very much. We think the government has made a very great mistake in ignoring Quebec in this way and we think that they themselves will regret it before many weeks have passed.

The second thing I wish to say is that I want to draw attention to the citations made by the Leader of the Opposition (Mr. Pearson) on second reading of this bill, citations of distinguished members of this house now occupying the treasury benches when they were sitting over here. I do not intend to take the time of the house in repeating them now, but you will recall what the present Minister of Justice (Mr. Fulton) said and what the present Minister of Transport (Mr. Hees) said. He said that the whole road should be paid for by Canada. You will also recall what the present Secretary of State for External Affairs (Mr. Green) said, that we can afford a lot more. We are sorry that the government, after all these expectations raised in 1957, is simply following on the scheme which they told the people they would change when they came into office. We regret this; we are very sorry for this.

We are sorry also that they did not see fit to accept any of the admirable suggestions made by the hon. member for Humber-St. George's (Mr. Batten) in the fine analytical speech he made on this subject. We are also sorry that the government did not see fit to accept the suggestion made by the Leader of the Opposition that in the four Atlantic provinces as a compensation for their disabilities in other aspects of transportation the government should pay a much larger share of the cost of this road, and that the figure that we would suggest, and that we will suggest to parliament when we are in a position to do so, in order to finish this road would be 90 per cent.

Motion agreed to and bill read the third time and passed.

YUKON ACT

INCREASE IN COUNCIL MEMBERSHIP—CHANGES RESPECTING COURTS, ETC.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Yukon Act to increase the number of members of the council of the Yukon Territory from five to seven; to provide for the creation of an advisory committee on finance and for the payment of allowances for living expenses and travelling expenses of the members thereof; to establish a court of appeal for the Yukon Territory; to authorize the territorial court of the Yukon Territory to sit in the Northwest Territories in civil matters; to provide for the appointment, remuneration and allowances of deputy judges of the territorial court; and to provide further for the general application of game legislation in the Yukon Territory.

Motion agreed to and the house went into committee, Mr. Rea in the chair.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Chairman, the resolution is largely self-explanatory, and I need not take up the time of the house with extended comments at this stage.

This legislation deals with three broad subjects. The first is the constitution of the territorial council. It is proposed to increase the membership of the council to reflect the increasing population of the territory, to remove an existing requirement that the commissioner must sit apart from the council, and to provide for the establishment of an advisory committee on finance. This committee, composed of council members, will advise on the

preparation of the territorial budget, and may be consulted on other matters of policy arising between council sessions.

As I told the house a year ago, consideration has been given to ways in which it might be possible to work toward fully separate judicial systems suited to territorial requirements. The object is ultimately to reach the pattern already established in the provinces. This bill constitutes a court of appeal for the Yukon which can ultimately and easily develop toward the provincial pattern as circumstances permit.

Certain changes in the constitution of the territorial court are also proposed. These will make the judge of the Northwest Territories court ex officio also a judge of the court of the Yukon Territory, authorize the appointment and remuneration of deputy judges as required, and provide for other minor or consequential changes in judicial arrangements.

I may say that parallel changes in judicial arrangements for the Northwest Territories will be proposed in separate legislation. Taken together, the new provisions for territorial courts and courts of appeal should enable a better service to be provided to litigants and others in both territories.

The other matter with which the bill deals is the application of territorial ordinances to all residents of the Yukon Territory. Some question has been raised about this, particularly with regard to game, and the bill is designed to clarify the power of the territorial council in this respect.

I think, Mr. Chairman, that when hon. members have had an opportunity to examine the bill they will find the proposed changes fully consistent with the orderly development of the territory as a separate Canadian entity, in accordance with the wishes of the territorial council, and with the best interests of the residents.

Mr. Pickersgill: I think the minister's suggestion that we should see the bill before having any prolonged debate is a very sensible one, and that is the view we intend to take over here. I must say I am intrigued by the term "deputy judges" which I do not think I have heard before. Perhaps after other hon. members have spoken, should they wish to do so, the minister would elaborate a little on that.

Mr. Herridge: On behalf of this group, may I say that I agree with the hon. member for Bonavista-Twillingate. I think we would be well advised to have our debate on this legislation when the bill comes before the house, although judging from the resolution itself and from the brief explanation given by the minister it would appear that we, generally, are in support of the measures that are to be taken.

[Mr. Hamilton (Qu'Appelle).]

Mr. Pickersgill: Could the minister just say a word about this question of the deputy judges?

Mr. Hamilton (Qu'Appelle): At the present time the legislation provides for the appointment of deputy judges when the circumstances warrant. As the hon. member knows, there is now one judge in the Northwest Territories and one in the Yukon, and in cases of absence it is necessary to appoint a deputy judge. The amendment would make it unnecessary to adopt the method used now of appointing this deputy judge by order in council, and will make it possible to do this without the cumbersome technique so involved.

Mr. Peters: I should like to ask the minister if plans are under way for developing provincial autonomy in the two territories and, if so, how long a period is expected to elapse before these territories will be able to form provinces of their own?

Mr. Hamilton (Qu'Appelle): It is, I think the hope of all Canadians that as soon as economic conditions warrant, new provinces will be formed in the present territory of Yukon and the Northwest Territories.

I think it is also reasonable to assume that before they become provinces they will have to have sufficient economic resources of their own to run their own administration. That is not presently possible. There have been many speculations as to when this eventuality may come about; I think that is all it can be at this time: speculation. We are hopeful that new mining developments, new oil and gas developments will make it possible to have new communities in certain parts of the north. When these communities are sufficiently established and give evidence that they can support a provincial government we would, I think, be happy to consider such a proposal from them.

Another aspect of the question is that the people in the Yukon and the Northwest Territories have already developed a considerable spirit of autonomy. They want the right to run their own affairs; they resent very strongly the suggestion that provinces should take them over. I think it follows from all this that they themselves should make the decision.

I do not know whether that answers in full what the hon. member had in mind, but I think it represents the thinking on this matter at the present time.

Mr. Regier: Have any of the provinces made representations asking for their boundaries to be enlarged to include either the Yukon or part of the Northwest Territories?

Mr. Hamilton (Qu'Appelle): I have seen a newspaper story to the effect that British Columbia would like to push northward. I have also seen another story partially repudiating this suggestion. Further, another government has more or less officially indicated a desire to push northward into the territories; that is, the government of Manitoba. However, I understand that there has been no formal request to the federal government to do so although there have been discussions on this subject.

Resolution reported and concurred in.

Mr. Hamilton (Qu'Appelle) thereupon moved for leave to introduce Bill No. C-59, to amend the Yukon Act.

Motion agreed to and bill read the first time.

NORTHWEST TERRITORIES ACT

AMENDMENTS RESPECTING COURTS, JUDGES AND GAME LEGISLATION

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Northwest Territories Act to establish a court of appeal for the Northwest Territories; to authorize the territorial court of the Northwest Territories to sit in the Yukon Territory in civil matters; to provide for the appointment, remuneration and allowances of deputy judges of the territorial court; and to provide further for the general application of game legislation in the Northwest Territories.

Motion agreed to and the house went into committee, Mr. Rea in the chair.

Mr. Hamilton: Mr. Chairman, this resolution corresponds almost exactly to those parts of the Yukon resolution dealing with changes in the judicial set-up. At this time I should like to remind the committee of the speeches made in February, 1959 by the hon. member for Mackenzie River and the hon. member for Nickel Belt on the bill under discussion at that time to amend the Northwest Territories Act. Both hon. gentlemen spoke in favour of some radical amendments in the judicial system of the Northwest Territories. At that time I told the house that the Minister of Justice, his deputy minister and the commissioner of the Royal Canadian Mounted Police were on a tour of the north covering 14 different places to examine into the administration of justice in the area as well as the day to day problems that arise in the administration of justice and were prepared to bring back recommendations which would bring up to date the judicial system in the Yukon and Northwest Territories.

That was done in the spring of 1959. Now, approximately a year later, this resolution and the bill it foreshadows are the result of their work. The recommendations that were in their report are included in the bill that will follow, and also in the bill with respect to the Yukon which just passed the resolution stage.

I do not think I need say more at the present stage because the explanation is exactly the same as I gave for the previous resolution.

Mr. Pickersgill: Mr. Chairman, may I say again that we are in general agreement with this resolution and would like to see the bill.

Mr. Herridge: Mr. Chairman, we assume this resolution is similar in purpose and content to the previous measure. The legislation in both cases clearly indicates the growing development in the Yukon and Northwest Territories and the need for improvements in administration of the same. We will leave our more extended remarks until we have seen the bill.

Mr. Peters: Mr. Chairman, is it contemplated by the government that divorce procedure will be under territorial jurisdiction or under federal jurisdiction?

Mr. Hamilton (Qu'Appelle): No, Mr. Chairman.

Mr. Peters: Does the minister mean the territories will handle their own domestic problems?

Mr. Hamilton (Qu'Appelle): I am sorry, Mr. Chairman, but I will have to look up the details with respect to what happens in matters of divorce. The changes contemplated under this resolution do not consider that subject.

Mr. Regier: Mr. Chairman, as I understand it, the area known as the Northwest Territories is closely defined. There are a number of islands over which Canada assumes jurisdiction yet they are outside the area known as the Northwest Territories defined as such. I have in mind especially areas such as Frobisher Bay which is growing in population. These areas have no voice at election time. Is there any intention of extending the boundaries of the Northwest Territories to include all the other areas claimed by Canada that are not included in either the Yukon or Northwest Territories?

Mr. Hamilton (Qu'Appelle): At the present time the difficulties of moving around in the north in order to vote are well known. There is nothing in theory to prevent any person be he white, Indian or Eskimo from voting.

In practice, of course, this is very difficult and in the remote areas it cannot be done. As the communities grow in size transportation facilities will doubtless improve but in all existing areas there is at this time the opportunity to vote.

Mr. Regier: I do not think the minister understood my question. The boundaries of the Northwest Territories as they now exist are carefully defined. They exclude a large number of islands over which Canada claims authority, yet their inhabitants have no voice in Canadian affairs. I think the minister would agree that an area as large as Frobisher Bay should have a polling division at election time. The inhabitants are denied the right to cast a vote. Is the government giving any consideration to an extension of the boundaries of the Northwest Territories in order to include those areas under the government's jurisdiction that are not now included in either the Yukon or Northwest Territories?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I think the hon. member has probably confused two things. There is an act called the Territorial Lands Act which clearly defines and limits the boundaries for administering land. This does stop at the mainland coast of North America and follows around the shores of Hudson bay and into Ungava bay. It takes in all the islands up to the low water mark. As far as government, justice, and game are concerned, the Northwest Territories Act defines the boundaries of that area for political and administrative purposes. I happen to have the act here and will read the relevant section:

> 2. (k) "Territories" means the Northwest Territories, which comprise
>
> (i) all that part of Canada north of the 60th parallel of north latitude, except the portions thereof within the Yukon Territory and the provinces of Quebec and Newfoundland, and
>
> (ii) the islands in Hudson Bay, James bay and Ungava bay, except those islands within the provinces of Manitoba, Ontario and Quebec.

For political administration purposes the Northwest Territories under this act is all the area north of the sixtieth parallel except the Yukon and except any areas of Quebec or Newfoundland which are above the sixtieth parallel but does include all the islands in Ungava and in James and Hudson bays. Therefore, they are two separate matters.

Mr. Regier: What is the position of the islands to the north of Ungava bay and Hudson bay? I am thinking particularly of Franklin island and others.

[Mr. Hamilton (Qu'Appelle).]

Mr. Hamilton (Qu'Appelle): These islands are under the Northwest Territories Act that include Franklin island, Baffin island, Ellesmere island and so on.

Mr. Peters: Are Franklin and Keewatin separate designations within the Northwest Territories?

Mr. Hamilton (Qu'Appelle): Yes.

Resolution reported and concurred in.

Mr. Hamilton (Qu'Appelle) thereupon moved for leave to introduce Bill No. C-60, to amend the Northwest Territories Act.

Motion agreed to and bill read the first time.

RAILWAY ACT

PROVISION FOR GRANTS FROM GRADE CROSSING FUND

The house resumed, from Tuesday, March 8, consideration in committee of the following resolution—Mr. Hees—Mr. Rea in the chair:

> That it is expedient to introduce a measure to amend an act to amend the Railway Act, chapter 40 of the statutes of 1958, to permit certain grants to be made from the railway grade crossing fund for a further period of three years beyond January 31, 1961.

Mr. Bourget: Just one word; I understand that the views of our party have been expressed by members who have spoken on the resolution, and now we should like to see the bill.

Mr. Peters: Would the government give consideration to the fact that in areas where new railway construction or new highway construction is taking place an opportunity is given for a stipulation to be made that the highway should cross over the railroad by means of an overpass or an underpass rather than a level crossing?

We have many instances, and one recently in northern Ontario, where there have been opportunities, when the highway was being changed, for the government to give consideration, and particularly the board of transport commissioners, when issuing the permits or the permission necessary to start new construction, to restricting the crossing to an underpass or an overpass. We have many cases, and I am sure the minister is aware of a number of them, where new highway construction is taking place, where the highways are crossing the railroads where it would be possible, if this money were being used for this purpose, to put in an overpass or an underpass to prevent the accidents which are now taking place. It seems to me that when permission is granted by the government for construction of this type they

could use some discretionary power and prevent many of the highways crossing well travelled railroads at grade, and in that way prevent the needless loss of life which is taking place.

Mr. Herridge: Mr. Chairman, during the discussion of this resolution some time previously I made a suggestion that the signs at the railroad crossings could be made much more attractive or striking, and since that time a number of the members of the government party have asked me whether I would agree to having the minister's picture enlarged and placed at railroad crossings. In reply to them I just wish to say, Mr. Chairman, that:

> George's picture, by the rails,
> Would cause us all to cross like snails;
> Women would stop to admire,
> Men indulge in smug satire,
> But better that, than one expire!

Mr. Regier: I should like to ask whoever is the sponsor of this resolution at this time whether any consideration is being given to imposing a fixed contribution on the railway company concerned toward the cost of either an overpass or an underpass?

Mr. Churchill: Mr. Chairman, I will draw these questions to the attention of the Minister of Transport and if the resolution carries tonight I think we might proceed with second reading tomorrow. During the course of the committee stage, following second reading, these questions could be answered.

Mr. Regier: In that case, I want to thank the minister. However, I want to add additional information. We have cases where one municipality has six major roads or highways crossing railroads within the municipality. If the government is prepared to pay only 80 per cent, and if the railroad company involved is allowed to pay as much as it pleases by way of a contribution, I feel it is hardly fair when it imposes an exceptionally heavy burden on the municipality. Either the government ought to consider raising its contribution or it ought to consider amending the legislation in a way which will make it obligatory on the railroad company to pay at least 5 per cent, 10 per cent, or 15 per cent, or make a fixed contribution, because if that were done many of our municipalities would be able to undertake a little bit of planning in this respect. They would be able to take advantage of the legislation because they would know when they were planning how much of a burden they themselves would have to bear, and they would not have to appear hat in hand at the doors of the railroad corporations.

Resolution reported and concurred in.

Mr. Churchill (for the Minister of Transport): thereupon moved for leave to introduce Bill No. C-61, to amend the Railway Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Before you leave the chair, Mr. Speaker, I wonder whether the house leader could give us a preview of two or three days ahead?

Mr. Churchill: Mr. Speaker, I should like to thank the house for carrying on so expeditiously and taking us by surprise; it is very welcome indeed.

Tomorrow we shall start off with the second reading of the bill to amend the Railway Act, the resolution of which we have just been discussing. The second item would be the bill following the resolution to amend the Northwest Territories Act, which was completed tonight; the third item would be the bill following the resolution with regard to the Yukon Act, which also was dealt with tonight.

Then on page six of today's order paper hon. members will find under government orders 2 to 7, a number of small bills which are non-controversial in nature, and perhaps the house would like to clear these off the order paper. We would take them in this order. Item No. 4 would be second reading of Bill No. C-4, to amend the Export and Import Permits Act; item 5 would be second reading of Bill No. S-4, to amend the Windsor Harbour Commissioners Act; item 6 would be second reading of Bill No. S-5, to incorporate the Oshawa harbour commissioners.

Mr. Regier: No, you are wrong.

Mr. Churchill: Item 7 would be second reading of Bill No. S-10, to incorporate the Nanaimo harbour commissioners.

Mr. Pickersgill: The minister is giving his own numbers.

Mr. Churchill: Yes, I am giving my own numbers. Item No. 8 would be the second reading of Bill No. S-2, to amend the Canada-Netherlands Income Tax Agreement Act. No. 9 would be the second reading of Bill No. S-3, to repeal certain fisheries laws of Newfoundland. If those are passed quickly I will then call the resolution in the name of the Minister of National Health and Welfare respecting the Old Age Security Act.

Mr. Pickersgill: That is the business for tomorrow. Could the minister—

Mr. Churchill: All right. I certainly will meet the wishes of the house. That would

then be followed by the second reading of Bill No. S-27, to control and regulate the sale of feeds, in the name of the Minister of Agriculture. I am then in the hands of the house. If the house would like to take the second reading of Bill No. S-28, respecting a certain trade agreement between Canada and Australia, that would suit me very much. Those items being completed, I would suggest tentatively that we might then deal with interim supply.

It being four 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:

MOTOR VESSEL "ESKIMO"—ARCTIC SERVICE

Question No. 354—**Mr. McWilliam:**

1. Has the Department of Transport a long term contract with Canada steamship line for the use of the M/V *Eskimo* during the summer months for the servicing of Canada's Arctic outposts?
2. If so, when was the contract entered into and what is the date of termination?
3. Does the contract specify a minimum number of days service each year? If so, what is the minimum number of days?
4. What is the daily, or other rate, paid by the department?
5. What does the rate include?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes.

2. The contract is dated April 12, 1957. It is provided that the department will enter into a time charter party in each year with the company for not less than 90 days for a five-year period. The first voyage was in 1959 and the period will end with the voyage in 1963.

3. See answer to No. 2.

4. $2,600 Canadian currency per day subject to any increase in the wages as set out in the schedule attached to the contract.

5. Rate includes all operating costs of the vessel exclusive of bunkers and extra insurance.

Questions

C.N.R. LAY-OFFS, ATLANTIC REGION

Question No. 361—**Mr. Argue:**

1. Have any employees of the Canadian National Railways been laid off in the Atlantic region since February 15, 1960?
2. If so, (a) in what departments; (b) in what classifications; (c) in what places?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The management of Canadian National Railways advise as follows:—

1. Canadian National Railways maintains a record of its employment level each month on the basis of a mid-month tabulation. The Atlantic region figures are: February, 20,509; March, 21,097. The figures for April are not yet available.

2. See answer to No. 1.

FISH LANDINGS, EAST SHIP HARBOUR, N.S.

Question No. 372—**Mr. McWilliam:**

1. What was the total tonnage and dollar value of fish landed at east Ship Harbour, Halifax county, Nova Scotia, for each of the years, 1958 and 1959?
2. What was the tonnage and dollar value of (a) halibut; (b) cod; (c) herring; (d) haddock; (e) lobster, landed at the east Ship Harbour, Halifax county, Nova Scotia, for each of the years, 1958 and 1959?

Answer by: **Hon. J. A. MacLean (Minister of Fisheries):**

1 and 2.

	1958		1959	
	Quantity landed (lb)	Value to fishermen ($)	Quantity landed (lb)	Value to fishermen ($)
All species	225,351	11,231	185,311	10,134
Halibut	150	36	315	90
Cod	39,363	1,451	38,223	1,239
Herring	43,125	520	19,390	266
Haddock	899	40	1,068	47
Lobster	15,914	6,006	15,322	6,049

APPENDIX

COMMONWEALTH CONFERENCE

COMMUNIQUES ISSUED AT OPENING AND CLOSING

First Communique

The first plenary sessions of the meeting of commonwealth prime ministers were held at 10, Downing street, today.

In opening the meeting, the Prime Minister of the United Kingdom expressed, on behalf of his commonwealth colleagues, their deep sorrow at the circumstances which had prevented Dr. Verwoerd, the Prime Minister of South Africa, from carrying out his intention of attending this meeting. He also expressed his regret that the Prime Minister of Ceylon was prevented, owing to the impending election, from coming to London at this time.

Mr. Macmillan welcomed the Prime Minister of Malaya, Tuanku Abdul Rahman, as the first representative of Malaya to attend a commonwealth prime ministers' meeting since Malaya attained full membership of the commonwealth.

The reply to Mr. Macmillan's opening statement was made by Tuanku Abdul Rahman. In the course of his reply he raised the problem of racial discrimination in South Africa, and its effects on relations between South Africa and other commonwealth countries, and he expressed the hope that opportunity would be found for the commonwealth prime ministers to discuss this while they were in London.

The representative of the South African government, Mr. Eric Louw, emphasized that sole responsibility for domestic policies within South Africa rested with the union government.

The meeting reaffirmed the traditional practice that commonwealth conferences do not discuss the internal affairs of member countries. Mr. Louw expressed his readiness to meet other heads of delegations informally for discussion of this problem. Arrangements are being made accordingly.

After these procedural questions had been settled Mr. Macmillan opened a general discussion on the world political situation. The Prime Minister of India and the President of Pakistan continued this discussion at the afternoon session. It will be resumed at a further plenary session tomorrow morning.

3rd May, 1960.

Final Communique

The meeting of commonwealth prime ministers ended today. Pakistan was represented by its President. The United Kingdom, Canada, Australia, New Zealand, India, Ghana, the Federation of Malaya and the Federation of Rhodesia and Nyasaland were represented by their Prime Ministers. South Africa was represented by the Minister of External Affairs, and Ceylon by the Minister of Justice.

2. This was the tenth of these meetings to have been held since the war. It has taken place at a time of great significance to the commonwealth and to the world.

3. The continuing growth of the membership of the commonwealth was marked by the attendance at this meeting of the Prime Minister of the Federation of Malaya, which achieved independence in August, 1957. The representatives of the other commonwealth countries welcomed the presence of the federation at the conference.

4. The commonwealth is an association of independent sovereign states, each responsible for its own policies; but the primary objective of all is world peace and security. It is their declared purpose to do everything in their power to achieve that objective, and to continue to co-operate to that end with all the peace-loving nations of the world.

5. In this spirit the commonwealth ministers have reviewed the major international problems of the day, on the eve of the impending summit conference which is to be attended by the Prime Minister of the United Kingdom. They expressed their sincere hopes for a successful outcome of that conference as a further step in the relaxation of international tension. They discussed, in particular, the problem of disarmament; and they welcomed the progress made at the Geneva conference on the discontinuance of nuclear weapons tests. They hoped that, on the basis of the preliminary work already done, the summit conference would be able to make some significant progress toward an eventual settlement, under international control, of the problem of disarmament. An advance toward a solution of that problem, linked with a progressive lessening of political tensions, would afford a firm basis for strengthening confidence between nations and promoting world security.

6. The commonwealth ministers also discussed the problems of Africa, the Middle East, the Far East and southeast Asia. They

recognized that economic and social progress are essential for political stability. They welcomed the continuing contribution which mutual assistance under the Colombo plan affords throughout southeast Asia to these aims; and they agreed that there and elsewhere throughout the less developed areas of the world the best hope of peace, stability and political freedom lies in practical international co-operation of this kind.

7. The ministers reviewed the world economic situation. They noted that, while in general the outlook was favourable, the economic expansion which had taken place since their last meeting had been greater in the industrialized countries of the commonwealth than in the primary producing countries. They agreed that an important condition of the prosperity of these countries was their ability to develop their export trade. They also recognized the urgent need to maintain and, where possible, increase the flow of economic assistance to the less developed countries. They welcomed the decision to establish an international development association.

8. The ministers discussed European trade problems. They expressed concern at the prospect of any economic division in Europe and its possible political implications. The countries of Europe form an important market for commonwealth exports. The ministers expressed their hope that these countries would follow trade policies in accordance with the principles of the general agreement on tariffs and trade, and thus avoid damage to the economies of the primary producing countries and those that are also developing exports of manufactured goods. In addition, European countries have an important contribution to make in assisting the economic development of the less advanced countries. The ministers hoped that these problems could be speedily and satisfactorily resolved, with due regard to the interests of countries outside Europe.

9. The commonwealth ministers reviewed the economic development of commonwealth countries in Africa which have recently attained or are approaching independence. They agreed that consideration should be given to the possibility of co-operative action among members of the commonwealth in assisting the economic development of these countries. This possibility will be studied in the first instance by officials of commonwealth governments, and the commonwealth economic consultative council will examine it at its next meeting.

10. The ministers also reaffirmed their belief in the value of exchanges between commonwealth countries of persons with specialized skills and experience. They agreed that further efforts should be made to foster and encourage these exchanges, whether on a regional or other basis, and that the commonwealth economic consultative council should take this question into urgent consideration. They trusted that employers in commonwealth countries—whether governments, statutory bodies or private companies—would be ready, wherever possible, to encourage members of their staffs to undertake a period of public service abroad and would do their best to ensure that their prospects in their home countries would not thereby be prejudiced.

11. The ministers considered various questions of constitutional development within the commonwealth. They noted that the Federation of Nigeria would attain independence on 1st October, 1960. They extended to the federation their good wishes for its future and looked forward to welcoming an independent Nigeria as a member of the commonwealth on the completion of the necessary constitutional processes.

12. The meeting was informed that, in pursuance of the recent plebiscite, the constituent assembly in Ghana had resolved that the necessary constitutional steps should be taken to introduce a republican form of constitution in Ghana by 1st July, 1960. In notifying this forthcoming constitutional change, the Prime Minister of Ghana assured the meeting of his country's desire to continue her membership of the commonwealth and her acceptance of the Queen as the symbol of the free association of its independent member nations and as such the head of the commonwealth. The heads of delegations of the other member countries of the commonwealth assured the Prime Minister of Ghana that the present relations between their countries and Ghana would remain unaffected by this constitutional change and they declared that their governments would accept and recognize Ghana's continued membership of the commonwealth.

13. The meeting noted a statement by the South African Minister of External Affairs that the union government intended to hold a referendum on the subject of South Africa becoming a republic. The meeting affirmed the view that the choice between a monarchy and a republic was entirely the responsibility of the country concerned. In the event of South Africa deciding to become a republic and if the desire was subsequently expressed to remain a member of the commonwealth, the meeting suggested that the South African government should then ask for the consent

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of the other commonwealth governments either at a meeting of commonwealth prime ministers or, if this were not practicable, by correspondence.

14. The ministers reviewed the constitutional development of the commonwealth, with particular reference to the future of the smaller dependent territories. They agreed that a detailed study of this subject should be made for consideration by commonwealth governments.

15. Whilst reaffirming the traditional practice that commonwealth conferences do not discuss the internal affairs of member countries ministers availed themselves of Mr. Louw's presence in London to have informal discussions with him about the racial situation in South Africa. During these informal discussions Mr. Louw gave information and answered questions on the union's policies, and the other ministers conveyed to him their views on the South African problem. The ministers emphasized that the commonwealth itself is a multiracial association and expressed the need to ensure good relations between all member states and peoples of the commonwealth.

13th May, 1960.

HOUSE OF COMMONS

Tuesday, May 17, 1960

The house met at 2.30 p.m.

PRIVILEGE

MR. MARTIN (ESSEX EAST)—PRESS RELEASE RESPECTING NARCOTIC DRUG ADDICTION

Hon. Paul Martin (Essex East): I rise on a question of privilege, Mr. Speaker. Last night or some time yesterday while this house was sitting there was issued from the office of the Minister of Justice (Mr. Fulton) a press release entitled "A Statement of Hon. E. Davie Fulton, Q.C., M.P., Minister of Justice and Attorney General of Canada concerning narcotic drug addiction". This release starts out by saying:

> The government of Canada has approved a comprehensive plan to deal with the problem of narcotic drug addiction in Canada, it was announced today by the Hon. E. Davie Fulton, Minister of Justice and the Hon. J. W. Monteith, Minister of National Health and Welfare.

The question of privilege to which I now address myself is one affecting all members of this house; a privilege which has been violated by the Minister of Justice in particular and, because of association by the Minister of National Health and Welfare.

It is the practice and tradition of this house that while the house is sitting all announcements shall be made in the house and not outside it. I would suggest that because of his constant interventions on questions of procedure there is perhaps no one in this chamber who is more aware of this practice than the Minister of Justice.

On March 3 I addressed a question on this matter to the Minister of National Health and Welfare, directing his attention to a statement made in British Columbia by the Minister of Justice that the government proposed to take concrete steps to make an effective attack on the narcotic drug traffic in this country. The Minister of National Health and Welfare replied simply: "No comment".

I addressed a question on this matter to the Minister of Justice himself on March 9, the reply to which certainly did not reveal the government's intentions. Then on March 10 again I directed a question on this matter to the Minister of Justice, who replied to my question in part by saying that he expected shortly to be in a position to lay certain tentative conclusions before his colleagues in the cabinet and that "thereafter it might well be we would have proposals to make to the provinces." I then asked whether that would be this year, and the minister replied:

> That I am not able to say, Mr. Speaker. The matter is a difficult and complicated one and it depends upon the rate of progress that we are able to make.

I submit that this important announcement on government policy should have been made in this house. To do otherwise would be a violation if made by any minister in these circumstances, but it is a particular violation when made by an hon. gentleman who holds himself out as a paragon of parliamentary virtue in this house.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I can well understand the concern of the hon. gentleman in view of the past record of himself and his colleagues when they were on this side. Of course they are now prepared to strain at every gnat they can see flying in the air in an attempt to do something to redress the balance in the minds of the people of this country.

But if I may mix my metaphors I should like to point out to the hon. gentleman that he has laboured and brought forth a mouse, because there is really no question of privilege, nor has there been any departure from what I said I would do in answering the questions to which the hon. gentleman has referred. What was stated in the press release of yesterday, if the hon. gentleman would read it in a calm and dispassionate manner, is that the government has now approved in principle a certain new approach to the narcotic drug problem and has authorized the Minister of National Health and Welfare and myself to approach the provinces to enter into discussions with them with respect to these proposals.

That is exactly what I said would be done, in answer to the questions by the hon. member for Essex East which he himself has read. To that extent, therefore, the press release of yesterday indicated nothing new and took us no further than the point I had already indicated I hoped the government would be able to reach in the course of this year.

As the press release makes clear, until there are discussions and until the discussions with the provinces have been terminated and we are in a position to know the extent of

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the provincial co-operation that may be forthcoming, we will not be in a position to determine our policy finally and state it to this house. At that time, when the discussions with the provinces have concluded so that we can put forward a definitive and comprehensive policy, this house will be informed, whether or not the hon. member for Essex East is in it.

Mr. Argue: Mr. Speaker, I rise on a question of privilege—

Mr. Martin (Essex East): Perhaps I should be allowed to finish. May I say briefly to the Minister of Justice that not only do hon. members—

Some hon. Members: Order.

Mr. Speaker: Order. If the hon. member has something to say about whether a question of privilege of the house is involved, he may proceed.

Mr. Martin (Essex East): Mr. Speaker, I was just going to say that not only do hon. gentlemen opposite sanction this violation of the privileges of this house but they wish to deny the hon. gentleman who raises this question of privilege the opportunity of answering the Minister of Justice.

Whether or not this is a new policy is not the point. Any announcement of policy must be made in this house while the house is sitting. That is my question of privilege. On that very point all I have to do is read the first sentence of the third paragraph:

> Mr. Fulton pointed out that while the plan embodies a new approach on the part of the federal authorities—

Mr. Fulton: What is the rest of that sentence?

Mr. Martin (Essex East): Once again the government—

Mr. Fulton: What is the rest of that sentence?

Mr. Martin (Essex East): —in the person of the Minister of Justice has been found wanting.

Mr. Fulton: Mr. Speaker, I do not have the press release with me so I cannot complete the sentence exactly but I think the fact that the hon. gentleman stopped where he did indicates that he himself knows that had he read the rest of the sentence it would have established the accuracy of what I have said.

What I said in that press release of yesterday indicates clearly that while the federal government has arrived at a certain point in its thinking on the matter, it has come to the conclusion that it would not be proper to proceed until the matter has been discussed with the provinces exactly as I told the hon. gentleman on March 9 that it would do. The uncompleted portion of the sentence made that clear. To that extent this press release represents nothing new. There is no definite policy to put before the house, and as I have said—because we on this side of the house over here are aware of the proper relations between the federal government and the House of Commons—when we have a new policy to announce we will inform the House of Commons if the house should be in session at that time. If the hon. gentleman feels affronted because I did not take him into my confidence, then—

Mr. Martin (Essex East): It is the rights of parliament that are involved.

Mr. Fulton: —I am terribly sorry, Mr. Speaker, but I cannot be responsible for the sensitivities of a particular hon. gentleman opposite.

Mr. Chevrier: Why not announce it in the house?

Mr. Fulton: The point is that the hon. gentleman asked a question on March 9. He had his answer, and the press release does not take the matter any further forward than that except that the forecast then made with respect to our own thinking on the matter and our own consideration has been realized to the point where we can now go to the provinces for discussions with them as we forecast in this house that we would.

I must say that I fail to see a question of privilege; but if there be any, while I do not admit for a moment that there has been any departure from the usual and proper relations between the government and the house, if my hon. friend wants the government to do what hon. members of the opposition do and continue to make repetitious statements, I shall be prepared, even though it involves repetition, to make such statements in this house.

Mr. Chevrier: The hon. member circumvented parliament.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, on the question of privilege, the Minister of Justice as usual has been clever but not convincing. If the hon. gentleman would read the very first sentence of his own press release he would find these words:

> The government of Canada has approved a comprehensive plan to deal with the problem of narcotic drug addiction in Canada—

I repeat, "has approved a comprehensive plan."

Mr. Fulton: Put the whole thing on *Hansard.*

Mr. Pearson: These words are perfectly clear. If this announcement made outside

the house adds nothing to the statement that was made in the house by my hon. friend in March last, it is a queer thing indeed that it took the minister over three months to issue the press release.

MR. ARGUE—ALLEGED INACCURATE STATEMENTS IN RETURN TABLED

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I rise on a question of privilege. A starred question in my name, No. 104, was passed as an order for return on April 6. The return was brought down on April 27. The questions were as follows:

1. Is toxic nerve gas produced in Canada?
2. If so, (a) where; (b) since when; (c) for what purpose; (d) under what authority; (e) under whose jurisdiction; (f) to whom is it supplied; (g) on what scale?

The answers were:

1. No.
2. Not applicable.

On May 3, some six days later, the Toronto *Star* carried a press report which reads in part as follows, under the heading: "Canada Makes Nerve Gas":

Nerve gases and germ warfare agents are prepared from time to time by Canadian defence technicians in Canada in minute amounts, a defence research board spokesman said today. Neither type of warfare—

Mr. Speaker: Order. I tell the hon. member that in raising a question of privilege based on a press report he is adopting the press as a statement of fact.

Mr. Argue: Mr. Speaker, if you will wait for one minute I will provide the answer.

Some hon. Members: Oh, oh.

Mr. Argue: I will provide it from the department of the Minister of National Defence, and this is my question of privilege. I feel I have to quote this in order to establish the question of privilege.

Neither type of warfare agent is produced or manufactured anywhere in Canada in quantities beyond laboratory amounts of a few ounces at a time the spokesman emphasized.

Now, Mr. Speaker, my office got in touch with the office of the Department of National Defence; a letter was sent to my office over the signature of the minister's executive assistant which said in part that the public relations officer of the Department of National Defence had made a press release available to the Toronto *Star* from which this report was taken. I have in my hand the enclosed copy of the press release, and on this pertinent point it reads as follows:

Nerve gases are not produced or manufactured in Canada but are prepared in very small research quantities—that is, in quantities involving a matter of ounces only. They are necessary in order to conduct research aimed at evaluating potential chemical warfare hazards and in improving defensive measures against them.

Question of Privilege

My question of privilege is that the house was not given a full answer to this question that asked whether nerve gases were produced in Canada and on what scale. I feel that if the Department of National Defence, or the ministry, had wished to give parliament an adequate answer they could have given to this house—they should have given to this house—all the information that has been given to the press in this press release. My question of privilege, therefore, is that the House of Commons, that parliament itself, is entitled to full and frank answers and that members of parliament should not have to get replies to their questions supplemented by releases which subsequently appear in the press.

MR. DESCHATELETS—REFERENCE TO ARTICLE IN MONTREAL "LA PRESSE"

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I am rising on a question of privilege affecting all hon. members. Citation 111 of Beauchesne's Parliamentary Rules and Forms, fourth edition, indicates that speeches and writings which reflect upon the conduct of the chairman of committees or the chairman of ways and means have been held to constitute breaches of privilege. I have in my hand a newspaper which came to my knowledge only yesterday. It is *La Presse* of Montreal, dated April 9, and it contains a letter to the editor signed by the hon. member for Chicoutimi (Mr. Brassard), from which I wish to read the following extract. May I say at this point, Mr. Speaker, that I sent the hon. member for Chicoutimi notice today that I intended to raise this matter.

(Translation):

You will admit that this does not provide much of a chance to rise very often, and even less to improvise a reply at such times as one would like to. I may add that when the house is in committee, it is quite obvious that Quebec members find it difficult to catch the eye of a certain deputy chairman, who is probably in secret agreement with Mr. Fisher's views.

(Text):

Now, Mr. Speaker, in accordance with paragraph 113 of Beauchesne's fourth edition I am laying on the table a copy of the newspaper in question, and I leave it to Your Honour to determine, in the light of this article, whether there has been a breach of privilege. If there has, I am prepared to move that the matter be referred to the committee on privileges and elections. I move, seconded by the hon. member for Papineau (Mr. Meunier):

That the copy of *La Presse*, Montreal, April 9, 1960, containing a report of a letter addressed to

the editor by Mr. Brassard, the member for Chicoutimi, be referred to the committee on privileges and elections for investigation and report to the house.

Mr. Speaker: Will the hon. member please indicate in what portion of the newspaper the letter can be found?

Mr. Deschatelets: On the editorial page, Mr. Speaker.

And the Clerk proceeded to read the article in question as follows:

(Translation):

The Editor,
La Presse,
Montreal, Que.

Dear Sir.

I wish to congratulate you on your leader entitled "Mr. Fisher's Speech", published on April 4 instant. While I agree in a general way with the views expressed, I note a slight misrepresentation. It is the apparently innocuous sentence: "Above all, it is the fact that no minister from Quebec or elsewhere, nor any Conservative member from our province, told him off right then and there, as did Messrs. Augustin Brassard, John Pickersgill, Joseph Habel, a French-speaking member from Ontario, and L. A. Regnier, a Conservative—from Manitoba".

Your editor knows, or at least should know, that no member may rise in the House of Commons before he has been recognized by the Chair, that the Speaker always has on hand a list of members who are scheduled to address the house in a given order and that no one can change that predetermined order. It must be pointed out, moreover, that the present Speaker has ruled that speeches must follow one another in the sequence: 1 Conservative, 1 Liberal, 1 C.C.F. Since there are only 8 C.C.F. members in the house, and 51 Liberals, every C.C.F. member has the opportunity to speak 20 times, and each Liberal 4 times, to one for the Conservatives, who are 208 in number.

You will admit that this does not provide much of a chance to rise very often, and even less to improvise a reply at such times as one would like to. I may add that when the house is in committee, it is quite obvious that Quebec members find it difficult to catch the eye of a certain deputy chairman, who is probably in secret agreement with Mr. Fisher's views.

As for the rest, you may be assured that present Conservative members compare very favourably with previous Liberal members in the matter of spunk and diligence and that they will get even with Mr. Fisher yet.

I believe those few comments were necessary to clarify the situation for those who, from a distance, would be inclined to pass judgment without knowing the facts.

Vincent Brassard, M.P.,
Chicoutimi.

(Text):

Mr. Speaker: It is unfortunate that the hon. member for Chicoutimi, whose conduct is in question along with that of the newspaper which has been read, is not here today. It does not seem to me it would be proper to proceed with this matter in his absence. Before accepting and putting this motion I think the hon. member should be here and should be heard, and I should like also to hear some comment from other members before the motion is accepted or put. In view of the fact that the matter is not one of great urgency, having stood since April 9, I would suggest that it be deferred until the hon. member for Chicoutimi is in the house.

[Mr. Deschatelets.]

MR. HERRIDGE—ALLEGED IMPROPER USE OF HOUSE OF COMMONS STATIONERY

Mr. Speaker: I have a question of privilege to deal with myself; this seems to be the day. Yesterday the hon. member for Kootenay West (Mr. Herridge) brought before the house, quite properly I thought, the case of an apparent misuse of the stationery of the house, raised it as a question of privilege and presented a motion.

I have examined all precedents I could find in order to determine whether or not this amounted to a breach of the privileges of the house, without finding any precedent for it. It appears to me that it is not in that category and does not raise a prima facie question of privilege. I should just like to read from May one paragraph which outlines generally the privileges which have been established by precedent as those of the house. It will be found at page 109 of May's sixteenth edition. In it Campion states as follows:

It would be vain to attempt an enumeration of every act which might be construed into a contempt, the power to punish for contempt being in its nature discretionary. Certain principles may, however, be collected from the journals which will serve as general declarations of the law of parliament. It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such house in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

This appears to be rather an administrative problem under the jurisdiction of the house through its Speaker and its officers and undoubtedly can be dealt with in that category rather than by straining the law of parliament to cover this particular incident.

EXTERNAL AFFAIRS

SUMMIT CONFERENCE—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask either the Prime Minister or the Secretary of state for External Affairs whether a statement could or should be made on recent events in Paris which have caused so much discouragement and anxiety.

Hon. Howard C. Green (Secretary of State for External Affairs): The situation in Paris in regard to the summit meeting is still delicate and uncertain. Premier Khrushchev failed to attend a meeting with the western three this afternoon which had been designed to get the summit meeting started. The prospects are therefore not bright; but so long as the four heads of government are still in Paris there would be no value in my attempting to speculate on the possible turn of events. I have made known to our NATO colleagues our desire that this situation should be discussed in the council at the earliest opportunity, and we shall be able tomorrow to examine the situation with our NATO allies in the council, possibly together with one or more of the three western foreign ministers.

Whatever the outcome of today's meeting the Canadian government remains determined to do everything possible to make progress in the field of disarmament where we are particularly engaged, as hon. members know, and where the United Nations has a special responsibility.

Mr. Harold E. Winch (Vancouver East): May I ask the Secretary of State for External Affairs a question in view of the situation in Paris. Of course we know only what is in the press and what has been given us this afternoon by the minister. In view of the concern of all countries, but in particular of Canada, I should like to ask whether, even if only on an advisory basis, the Secretary of State for External Affairs for Canada should not go to Paris to talk to those there and perhaps exercise some influence.

Mr. Green: I am extremely grateful to the hon. member for Vancouver East for his very flattering words. However, at the moment I think there is more to be done here in the house as far as I am concerned. Every effort is being made in Paris to bring about a resumption of the talks. Canada, of course, will do whatever she can to bring about such action.

Mr. Winch: I should like to ask a further supplementary question. In view of the situation may I ask—and I believe on a commonwealth basis it is a matter of consultation—who is representing Canada there and speaking on behalf of our country?

Mr. Green: We have a permanent representative at NATO in the person of Jules Léger. He will be representing Canada at the meeting of the council tomorrow morning. He is in close touch with what is going on. We are getting dispatches all the time reporting on proceedings.

Mr. Hazen Argue (Assiniboia): My question is to the Prime Minister. In view of the prayerful desire of all mankind that the summit conference will proceed and may be successful in easing world tension, and the desire of all Canadians that our influence be used in the interests of moderation and good sense, can the Prime Minister inform the house what channels Canada is using to keep in touch with the summit proceedings and whether the Prime Minister has been in communication with western leaders at the summit?

Right Hon. J. G. Diefenbaker (Prime Minister): I emphasize the words used by the hon. gentleman, namely that this is a time for moderation and good sense. If that principle is adopted I think the answer is given to his question. There is no course that we can take at this time which can have any influence over the intransigence displayed by Mr. Khrushchev. That is where the difficulty is. If there were any course that could be taken that could achieve any change in his attitude, it would be taken. It is not because of the stand taken by the other three representatives that the prospective summit meeting is in the position in which it is today.

NATIONAL DEFENCE

NORAD—REPORTED EXCLUSION FROM RECENT U.S. ALERT

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. Will the minister inform the house whether the Canadian section of NORAD was excluded from the reported alert and, if so, whether that was done at the instigation of the NORAD commander or the Canadian government?

Hon. G. R. Pearkes (Minister of National Defence): An exercise was held in the early hours of Monday morning initiated by the joint chiefs of staff of the United States in connection with communication alerts. The NORAD command was not exercised. No Canadian unit was exercised, nor were any United States units stationed on Canada soil exercised.

CANADIAN BROADCASTING CORPORATION

REPORTED REJECTION OF UKRAINIAN PROTEST OVER PROGRAM "YOUR SOUL AND CONSCIENCE"

On the orders of the day:

Mr. Hubert Badanai (Fort William): I have a question for the Minister of National Revenue. According to newspaper reports the director of the French network of the C.B.C.

has rejected the complaint of Canadians of Ukrainian origin against the television program dealing with the assassination of the Ukrainian national hero Simon Petlura.

Mr. Speaker: Order. Is the hon. member dealing with the same question he raised yesterday?

Mr. Badanai: I have a new question.

Mr. Speaker: Will the hon. member put his new question?

Mr. Badanai: The minister informed the house yesterday that a statement would be forthcoming on the matter. Is the minister in possession of any decision made by the executive board of the C.B.C.?

Hon. George C. Nowlan (Minister of National Revenue): I said yesterday that the C.B.C. was considering the matter and would issue a statement yesterday. I understand that they did so and that consultations were held with the various parties. There is nothing more I have to add than that which was said by myself in the house on this matter yesterday.

STATEMENT ON POLICY RESPECTING EMPLOYEES NOMINATED IN PROVINCIAL ELECTIONS

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, on Friday, May 13 the hon. member for Bonavista-Twillingate asked me a question and a supplementary question with respect to the Canadian Broadcasting Corporation and the political activities of its members.

I am informed by the Canadian Broadcasting Corporation that section 8, subsection 3 of the bylaws of the Canadian Broadcasting Corporation states:

> No officer or employee of the corporation employed on a full time basis shall be a candidate for any public elective office or actively support any candidate for any public elective office, but an officer or employee of the corporation may, subject to the permission of the president, be or actively support a candidate for a municipal or civic office, provided that the acceptance of or the support of the candidature for such office does not interfere with the proper and regular performance of his duties with the corporation.

In reply to the supplementary question relating to the one particular individual mentioned, I am advised by the Canadian Broadcasting Corporation that this supplementary question, which related to British Columbia, refers to the case of a commentator on the program "Neighbourly News" who was not a member of the staff but a free lance artist and who announced his candidacy in the next British Columbia election. In accordance with the corporation's practice in this regard and the principle enunciated in the regulation which I read a moment ago, he was given two weeks' notice of termination of employment, and arrangements are now being made and discussions are taking place with him and others as to a replacement commentator.

HOUSING

REQUEST FOR LEGISLATION RESPECTING BANK INTEREST RATE ON INSURED MORTGAGES

On the orders of the day:

Mr. Adrien Meunier (Papineau): I would like to direct a question to the Prime Minister. Will the government consider introducing special legislation to permit the banks to lend on insured mortgages under the housing act at the same rate of interest that other financial institutions are permitted to charge?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as an experienced parliamentarian the hon. member should know that government policy is not announced in answer to questions.

ST. LAWRENCE SEAWAY

WELLAND CANAL—INQUIRY AS TO SHIPPING HOLD-UPS AND TONNAGE HANDLED

On the orders of the day:

Mr. W. H. McMillan (Welland): I would like to direct a question to the Minister of Transport. Has there been any significant hold-up of shipping passing through the Welland canal this current season? How does this year's tonnage compare with last year?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for giving me notice of his intention to ask this question. The answer to the first question is in the negative; the Welland canal has been functioning satisfactorily and no significant delays have occurred.

As to the second question, cargo tonnage figures are not yet available. Up to and including May 15 of this year there were 1,049 vessels which went through the canal. At the same date last year the number was 806, an increase of 30 per cent.

POWER

COLUMBIA RIVER—FEDERAL DISCUSSIONS WITH B.C. GOVERNMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Justice whether in recent days he has participated in any discussions with the British Columbia government on power

development in that province. If so, has he any report to make to the house on those discussions?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the federal members of the Canada-British Columbia policy liaison committee went to Victoria on Friday, met with the British Columbia members of that committee on Saturday and came back here on Sunday. I attended as chairman of the Canadian negotiating team.

The discussions concerned the negotiations with the United States on an agreement for the development of the Columbia river, but I am bound by the agreement which has been made and the principle which has been followed to the effect that until negotiations have advanced to the point where something positive can be said and reported to the respective legislatures, they should not be discussed in detail. Therefore I am not at liberty at this stage to disclose any detail of the discussions.

Mr. Pearson: Mr. Speaker, a supplementary question. I appreciate the difficulty in making a report at this time on international discussions, but may I ask the minister whether he shares the hopes of his colleague the Minister of Finance, as expressed in Vancouver on May 16, that before very long the physical development of the Canadian portion of this river can begin in earnest?

Mr. Fulton: Yes, indeed. The Minister of Finance was kind enough to show me what he was going to say, and we were at one about it.

Mr. H. W. Herridge (Kootenay West): A supplementary question. Can the minister inform the house whether he has high expectations of a treaty being signed in 1960?

Mr. Fulton: Mr. Speaker, all I can say is that that will depend on the course of negotiations, and as far as the Canadian government is concerned we are doing everything we can to bring these negotiations to a speedy and satisfactory conclusion.

LIVESTOCK

FRASER VALLEY, B.C.—ESTABLISHMENT AS BRUCELLOSIS CONTROL AREA

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): Mr. Speaker, I would like to direct a question to the Minister of Agriculture, and ask whether he has had an official request from the British Columbia minister of agriculture to proceed with the work of making the Fraser valley a brucellosis free area. If the request has come forward, when will testing commence?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, a request has been received from the minister of agriculture of British Columbia to have the Fraser valley constituted a federal brucellosis control area. I signed the authorizing order today. As soon as the order is presented the department will be able to start having the cattle in the area tested. The speed with which this can be done will depend in large measure on the assistance provided by local veterinary practitioners in the area, who are engaged on a part time basis to assist in the testing.

RAILWAY ACT

PROVISION FOR GRANTS FROM GRADE CROSSING FUND

Hon. George H. Hees (Minister of Transport) moved the second reading of Bill No. C-61, to amend an act to amend the Railway Act.

He said: Mr. Speaker, I was pleased to learn during the resolution stage that all hon. members who spoke considered this to be good legislation. There were suggestions that more assistance should be provided from the railway grade crossing fund, particularly to the municipalities. I think the facts prove that the increase in the measure of assistance to municipalities from the fund in the past two years has been very important indeed.

The crossing problem is the concern of the federal authorities, the provincial and municipal highway authorities, and the railways. The provinces and municipalities require highways and railways and benefit from both, notwithstanding that crossing dangers accompany the benefits. Crossings are not the responsibility solely of the federal authorities. Nevertheless, it is my desire that federal assistance be provided in as generous a measure as is reasonable in the circumstances as they may be from time to time. Consequently I shall keep in mind the suggestions that have been made when considering what further measures may be appropriate in dealing with the crossing problem. It is a problem that will have my continuing and sympathetic interest at all times, and I welcome all suggestions made to deal with it.

There was expressed a very understandable desire to have railway cars painted or made reflective so they will be more easily seen at crossings in the night time, and there were requests for information as to what is being done to place reflective markings on the sides of railway cars, for which parliament has made money available from the railway grade crossing fund.

The board of transport commissioners issued a judgment and order on May 1, 1959

requiring the Canadian railways to place reflective markings on all new box cars received by them between that date and the end of 1960, and on an equivalent number of old box cars. Last year the Canadian Pacific Railway marked approximately 3,000 box cars with reflective "scotchlite" discs four inches in diameter. The larger cars have nine discs on each side, smaller cars have seven. The Canadian National Railways did not mark as many as the Canadian Pacific Railway, because they bought fewer new box cars than did the C.P.R. Canadian National Railways are using two different types of reflective discs. The board has been advised that the C.N.R. marked 696 cars in 1959.

The board expects that by the end of this year there will be approximately 10,000 cars marked. The board feels it is necessary to have experience with the markings under actual operating conditions before determining a longer range program.

As regards United States cars, I am informed that several bills were introduced in the United States congress with the object of requiring United States railway vehicles to be equipped with reflective or luminous material. One of them was suggested by the interstate commerce commission. Several such bills were considered in 1957 by a subcommittee of the House of Representatives, but to date none has become law. The interstate commerce commission has been informed of our legislation and the board of transport commissioners' order.

The hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) and the hon. member for Charlevoix (Mr. Asselin) raised matters concerning the Canadian National particularly, and I have drawn their representations to the attention of the management.

One or two members suggested that crossing signs be made to stand out more prominently. The board has started a program of putting reflectors on railway crossing signs, and has designated some 2,141 priority crossings to be so marked in 1959 and will designate other crossings as progress is made. Grants of 80 per cent of the cost are made for this work from the grade crossing fund. Advance warning signs some distance from crossings have been erected by provincial authorities in a great many cases. Efforts are being made to have them uniform throughout Canada, and the joint committee on uniform traffic control devices has recommended that these advance warning signs be of uniform design of yellow and black reflector material.

There was also a suggestion that the investigation should be made to see whether the diesel whistle cannot be made more like the steam whistle. The technical officers of the board, the railways, and the national research council engaged in studies of this problem, and tests were conducted with a view to having a diesel horn that will simulate the sound of the old steam whistle. Following this study the board issued an order which directed the railways to equip road service units with horns having certain tonal characteristics. It is, of course, difficult to simulate exactly the sound of the conventional steam whistle, and the present types of horns now in use are the closest to that aim it has been possible to produce up to the present time.

Last night the hon. member for Timiskaming (Mr. Peters) and the hon. member for Burnaby-Coquitlam (Mr. Regier) asked certain questions, and I have requested that answers be prepared by the board of transport commissioners. I will give the answers to the two hon. members as soon as they are received.

As I have said before, I am very much interested in the crossing situation and welcome all suggestions that are made for remedial measures. In conclusion I wish to express my thanks for the support which has been indicated for this measure.

Hon. Lionel Chevrier (Laurier): My remarks in connection with this matter will be brief, because the house already knows the position which we on this side take. We support this measure as forward-looking legislation.

I believe when this act was amended some two years ago I had the opportunity of speaking at length on the whole question of grade crossing accidents in this country and the measures taken by previous governments, and this government as well, to put an end, so far as possible, to such accidents. We welcome this legislation because it continues for a further period of three years the amendments which have already been made affecting the grade crossing fund, and because it also deals with the reflective markings on the sides of railway cars.

I think everything possible should be done by the parties involved—by this government, by the board of transport commissioners, by the municipalities and by the provinces—to avoid these terrible and catastrophic accidents which take place at grade crossings. To the extent that we in this house can assist, I am sure all members of parliament will wish to co-operate in the fullest measure.

There is one point only that I desire to bring to the attention of this house, and it is that this whole problem was studied at great length by the board of transport commissioners several years ago. I do not have the report of the board before me, but it went into this matter exhaustively. At that time

the board travelled from one end of the country to the other, and finally made many excellent recommendations. Many of those recommendations were put into effect by the former administration. Some of them have been put into effect by the present Minister of Transport. I am not able to say at this time whether or not all the recommendations have been put into effect.

However, for what it is worth I draw this to the attention of the minister; that it might be well, in view of the numerous accidents which are still taking place on our highways where a railway meets a roadway, to ask the board of transport commissioners, in the interests of all of us, to bring that report up to date and see whether, having regard to the great increase in the number of motor cars and other circumstances which may have arisen since the report was brought down, a revision is not now imperative.

That is all I intend to say in support of this resolution, which all of us on this side think is good legislation.

Mr. H. W. Herridge (Kootenay West): The members of this group support the principle and purpose of this bill because it continues the very excellent and very necessary work which was begun some years ago in providing protection for persons crossing railway tracks.

I intend to be brief. I spoke at some length at the resolution stage. I must say I was interested to hear that the marking of these cars is apparently proceeding satisfactorily. I was also interested to hear of the experiments in connection with the whistle tone, which I consider to be important.

Before I sit down I want to re-emphasize some of the remarks I made at the resolution stage about the necessity for striking signs at railroad crossings. I think a great deal more protection could be provided, particularly in rural areas, if more striking signs were used. I do not think it is sufficient just to have a white cross with black lettering saying "railroad crossing". If we could have something much more striking we would get a great deal more protection at relatively small expense, particularly for the benefit of strangers using our highways, and I hope practical consideration will be given to this aspect of the problem.

In addition, may I say that I agree with the very good suggestion made by the hon. member for Laurier (Mr. Chevrier) that in view of the increase in vehicular traffic and the rapidly changing conditions affecting roads and highways in Canada, it might be wise if the board of transport commissioners were directed to give some further study to this question, and report to this house.

79951-0—250½

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

NORTHWEST TERRITORIES ACT

AMENDMENTS RESPECTING COURTS, JUDGES AND GAME LEGISLATION

On the order:

Second reading of Bill C-60, to amend the Northwest Territories Act—The Minister of Northern Affairs and National Resources.

Mr. Speaker: I am informed that this bill is not available to hon. members in the French language, but by leave it could be proceeded with.

Hon. Paul Martin (Essex East): Mr. Speaker, do you not think we ought to give consideration to whether that is a wise move to adopt? It is the usual practice to have bills available in both languages; and while some reports may sometimes present extenuating circumstances when they are not available in the French language, it could hardly be justified in the case of a bill.

Mr. Speaker: The rules require that the bill be in both languages but by unanimous consent it could be proceeded with. Shall the bill stand?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I telephoned about the bill this morning to see whether copies were available in the French language. I have had no reply as to the stage at which the French copy is.

Mr. Martin (Essex East): Would the minister have it available later today?

Mr. Churchill: If it would be, perhaps we could allow it to stand for the time being.

Mr. Martin (Essex East): That would be agreeable.

Mr. Speaker: Does the house agree that this bill should stand and be considered later if the French text arrives?

Some hon. Members: Agreed.

YUKON ACT

INCREASE IN COUNCIL MEMBERSHIP—CHANGES RESPECTING COURTS, ETC.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources) moved the second reading of Bill No. C-59, to amend the Yukon Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rea in the chair.

Clauses 1 to 3 agreed to.

Yukon Act

On clause 4—*Game ordinances in respect of Indians and Eskimos.*

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I wonder if we could let clause 4 stand for a minute or two until we come to the end of our consideration of the other clauses. I should like to make a statement on this clause. Can that be done?

The Deputy Chairman: Shall clause 4 stand with the unanimous consent of the committee?

Some hon. Members: Agreed.

Clause stands.

Clauses 5 to 11 agreed to.

The Deputy Chairman: Shall we revert to the consideration of clause 4?

Some hon. Members: Agreed.

On clause 4—*Game ordinances in respect of Indians and Eskimos.*

Mr. Hamilton (Qu'Appelle): Mr. Chairman, clause 4 deals with the game ordinances in the Yukon. This brings up a particular problem which I think I should bring to the attention of the committee so there will be no misunderstanding in the passing of this clause.

In the Northwest Territories a resolution was passed last year asking the federal government to make clear the legality behind their right to pass ordinances on game matters. This we have done in the bill which we allowed to stand just a few minutes ago. The comments I was going to make on the Northwest Territories legislation I will now have to make on the Yukon legislation.

In the Northwest territorial council resolution the difficulty of the Indians and Eskimos in the territory was considered. I should like to explain the background of this difficulty, which is a matter of great importance to hon. members of this committee, because under treaty and under statute we are required to protect the livelihood of the native people who lived in Canada before the white man came. In most parts of Canada including the Northwest Territories there are treaties that protect the rights of the Indians, but there are no treaties to protect the rights of Indians in the Yukon. Therefore in considering this problem we had to keep in mind what protection could be given to the Indians in the Yukon.

This matter only arose because last year a judicial decision was handed down in the Northwest Territories which pointed out that in the opinion of the presiding judge the territorial council had no power to make game ordinances in so far as they affected Eskimos. This put the game legislation in question. We had turned over the management of the game to the Northwest Territories in 1948. The territorial government had passed ordinances dealing with game, and now a judicial decision had put this jurisdiction in doubt.

As a result they met and passed a resolution calling on the federal government to amend the Northwest Territories legislation in such a way as to make clear without any doubt that they had power to deal with game matters. Then to make certain that they recognized that the interests of the Indian and Eskimo were protected, the last section of their resolution was framed in these words, which I wish to put on the record and to which I ask all hon. members to give their undivided attention because they have the traditional duty of protecting the Indian in Canada:

> And further that the council undertakes that in all cases and at all times the basic rights of Eskimos and Indians to hunt and trap on unoccupied crown land shall be preserved and shall be abridged only to ensure the conservation of game animals as a continuing resource to such extent as is necessary for their livelihood.

This means that even though the federal government is amending the Northwest Territories legislation to give to the territorial government the right beyond all question to deal with matters concerning game, the territorial council gave this undertaking that the traditional rights of the Indians and Eskimos in the Northwest Territories would be preserved. If the amendment to the Yukon Act which is now before us is read carefully, the matter of the protection of Indians and Eskimos could be brought into question. Clause 2 reads:

> Notwithstanding subsection (1), the commissioner in council may make ordinances for the government of the territory, in relation to the preservation of game in the territory, that are applicable to and in respect of Indians and Eskimos, and ordinances made by the commissioner in council in relation to the preservation of game in the territory, unless the contrary intention appears therein, are applicable to and in respect of Indians and Eskimos.

I am not a lawyer, but this simply means that you give to the Yukon council the right without question to make ordinances in relation to hunting by Indians and Eskimos, and the only exception to it is that clause where it says "unless the contrary intention appears therein".

Therefore in the Yukon, under this amendment to the act, the rights of the Indians and the Eskimos are exactly the same as those of the white man unless especially arranged for in their ordinances or in the regulations. The question that arises is this. Since there

is no treaty that usually guarantees to Indians the traditional right of hunting, are we doing anything, by giving to the territorial government this right to pass ordinances, that lessens the traditional right of the Indian to hunt for his livelihood? I raise this with the committee, because I would be prepared to entertain an amendment in the form of an additional clause which would make this right absolutely equal.

Here I might point out that there are other protections for the Indian and Eskimo. First, the legislative body, the territorial council, has the right to pass legislation, and the commissioner who is appointed by the federal government has the right to not sign that legislation. That is one control to make certain that the rights of the Indian and Eskimo are protected.

The second protection is the fact that all ordinances of the territorial governments must have the approval of the governor general in council, and this means the approval of the Indian affairs branch of the Department of Citizenship and Immigration. If these two protections are not sufficient, then the committee should seriously consider adding an amendment to clause 4 to make clear that the traditional right is not in any way abrogated.

Mr. Roberge: Does the minister have on hand the amendment he is talking about?

Mr. Hamilton (Qu'Appelle): No, I have not; but one of the suggestions made to me is that the words in this last paragraph could be included as a separate clause, although my department is busy now drafting a shorter one, which would be more concise.

Mr. Roberge: Can the committee be advised as to whether the Eskimos and Indians were told that there might be a change in the law with regard to their game rights?

Mr. Hamilton (Qu'Appelle): When the amendment to the Northwest Territories Act was produced the head of the Indian affairs branch sat in on the committee, and of course he is a member of the Northwest Territories council.

Mr. Peters: Are arrangements made for someone in the council to decide what limitations are placed on Indians or Eskimos in that area because of those restrictions? For instance, if the game ordinances are followed closely they will probably eliminate food surpluses being built up at any particular time, which has been the habit of the Eskimos in the past. They have accumulated and carried over food surpluses, and this ordinance would probably prohibit that. Are the officers in a position to decide how much of a limitation should be placed on the food stores? How would that be made up if there were a limitation?

Mr. Hamilton (Qu'Appelle): Under my department there is the wildlife service of Canada which operates in co-operation with all the provinces, and of course it is responsible for the territories as well, even though the administration of game in the territories is now under the jurisdiction of the two territorial councils. The wildlife service of Canada periodically makes surveys of the amounts of various game in each part of the territories, and on the basis of that information the territorial government changes the regulations that look after the management of game in that area.

I might point out to the hon. member that in the north, owing to the climate and the lack of vegetation, in many parts game is not plentiful; it is a very scarce commodity. In the interests of the Indian and the Eskimo it certainly has to be regulated to give him any protection whatsoever. As the hon. member has probably heard, in the Northwest Territories, for example, the regulations for hunting and trapping severely limit the rights of the white man. The rights of the non-resident are for a very limited amount of game bird shooting; the rights of the resident white man are equally limited, and only under certain conditions is he allowed to take off big game.

In the Yukon game is more plentiful; therefore the regulations work equally for all, white man, Eskimo and Indian. But the power to regulate has to be in their hands, and it has been in the hands of the Yukon territorial council since about 1900. Therefore they have this right traditionally, like any other province, and they have had it for about 60 years.

Mr. Peters: The problem I am thinking of is that there are a great number of white men going into the north on development work. This may apply more to the Northwest Territories than to the Yukon, but it seems to me that if all the people in that area had equal rights it would probably give the white man an advantage, because he would be hunting for a purpose different from that of the Indian and Eskimo. If the white man were given equal right to kill game there we would be taking away from the Indian and Eskimo his means of livelihood. Certainly we want to conserve the game. It may be necessary to limit the numbers taken, but if this is done we have a responsibility to ascertain what the loss will be to the native population; we should be willing to

make up to the native population something in kind, and obviously it would have to be something very definite in its application.

I am not sure whether the minister has said that the ordinance will apply to all people within the area in the same way. That would mean, would it not, that the white man would probably get an advantage under the regulations and the native population would suffer a disadvantage? I should like to see the native population protected by ascertaining what they would receive in kind, if this ordinance was passed, to make up for their losses, and how we would administer it and see that they receive this extra amount.

Mr. Hamilton (Qu'Appelle): The territorial council have administered game in the Yukon since the turn of the century. They have been very conscious always of the necessity of protecting their game, and they have done a good job. All this amendment does fundamentally is to make sure that there is no question about their right to pass these ordinances. They have had these ordinances in effect in the Yukon since 1900. However, as the result of decisions last year a doubt was created about this right, so this provision was inserted to give them this right beyond the shadow of a doubt. This provision makes the ordinances passed in previous years legal.

Mr. Peters: The point to which I am referring—I have not seen the ordinances—is that the ordinances may say every male over the age of 21 has the right to hunt and kill, say, one caribou, one moose or whatever it happens to be. Some of the native population are dependent on shooting not only one of these animals but perhaps half a dozen. It seems to me that the Eskimo would be put in a position of hardship by being given equality with the white man. In the past I presume that the Eskimos have been able to kill as much as they needed for food, and then the department made up the balance. By putting the Eskimo under this regulation it would seem to me he would be subject to the same kind of game limitation as the white man, and this would interfere with his ability to live off the land. In many cases the natives have to kill far more than any conservationist would allow in that area.

Mr. Hamilton (Qu'Appelle): I think I have the point which the hon. member is making. Considerable work has been done by wildlife surveys in outlining what they call the sustaining yield which is possible for this type of animal and that type of animal. The ordinances simply set out the trapping areas to protect the individual person in the area who has a trapping licence. Nearly all the trapping and hunting is done by Indians. There is only a handful of Eskimos in the Yukon. These provisions have worked well for 60 years, and game is reasonably plentiful. The difficulty of the trapper and the hunter in the Yukon is not that he cannot get game, but the fact that fur prices have declined so drastically he cannot sell his furs.

I think the answer to the hon. member's question is that the territorial government have managed this game very successfully for 60 years, and they have looked after the interests of the Indians under these ordinances. The government has carefully watched the white hunter, who is usually a professional hunter bringing in sportsmen to hunt the big game animals of the Yukon. Whenever a person in the Yukon, whether he is white, Eskimo or Indian, wants to hunt for food, these ordinances do not limit what he can do unless he wilfully slaughters animals beyond the capacity of the area to carry. Generally speaking, if a man wants food there is no limit on what he can do. However, when he is hunting or trapping to sell the furs, whether he is a white sportsman or a trapper, then he does come under these regulations and the trapping areas are registered with the game department in the Yukon territory.

Mr. Roberge: I should like to go back to the possible amendment which the minister mentioned a moment ago. Is it the intention of the government to introduce such an amendment? If so, is it the intention of the government and the minister to ask the committee to allow this clause to stand until the amendment is drafted?

Mr. Hamilton (Qu'Appelle): This amendment will be ready in two or three minutes. It will be a better one than I was going to propose, and I would be hopeful that we could get through this without delaying the committee, yet making sure that we have done our duty to protect the rights of Indians who hunt.

Mr. Hellyer: In order that we do not delay the proceedings of the house, why does the committee not ask for leave to report progress and sit later this day?

An hon. Member: We have some other questions to ask.

Mr. McMillan: We went through these clauses in rather a hurry, and may I be permitted to ask a question on clause 7?

The Deputy Chairman: Will the committee give unanimous consent to the hon. member to ask a question on clause 7?

Some hon. Members: Agreed.

Mr. McMillan: This clause has to do with deputy judges and sets out who might be a deputy judge. My question is, for how long is the appointment made? Is his appointment just for a session of the court, or is it for a year, or is it a permanent appointment?

Mr. Hamilton (Qu'Appelle): I want to thank the hon. member for requesting an explanation of this clause, because some of these clauses are vital. They have been suggested by individuals over a period of two or three decades, and radical changes in the Yukon Act are suggested.

In answer to this question, I may say that deputy judges are appointed for an indefinite period. You have a judge in the Yukon and a judge in the Northwest Territories. In the past what has happened has been that one judge was invariably made the deputy of the other judge. This was done through a cumbersome order in council procedure. This provision simply puts in statutory form the fact that you can appoint a judge by governor in council. The passage of this provision will mean that, more and more, we will be moving into a period when all decisions will be handed down by judges who know the north country. It does not prevent the appointment of deputy judges from the provinces to the south, that is British Columbia in the case of the Yukon and Alberta in the case of the Northwest Territories. This can still be done by the governor in council; but this provision gives the legal right, in statutory form, to appoint by governor in council rather than through the cumbersome procedure we have used in the past for appointing a deputy judge from either one of the territories or from the provinces. The intention is to appoint them from the alternative territory.

I wonder, Mr. Chairman, if I might take just a moment to say a word about the clauses following 8 and 9 which are concerned with the judicial system. May I have permission to revert to those for a moment?

The Deputy Chairman: Will the committee give unanimous agreement to this suggestion by the minister?

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle): I will be very brief because the amendment is ready now. The big thing we have done here has been to give the Northwest Territories and the Yukon their own court of appeal. The court of appeal is made up of the two territorial judges, plus Alberta judges to make up the number for the Northwest Territories and British Columbia judges for the court of appeal in the Yukon. As you read these clauses you find that this court of appeal can sit right in the territories. This means that at long last the people of the territories have the right to justice in their own area without the expense of going south to Edmonton or Vancouver. The offices in Whitehorse and Yellowknife will be branch offices of the court of record which the appeal court needs.

I could go on speaking at great length about the advantage of this to the administration of justice in the territory. I simply want to conclude this portion of my remarks by emphasizing that, for the first time, this provision gives the territories their own courts of appeal. I imagine that some of you might ask why it is that the court of appeal is to be composed of the two territorial judges, since one of them must have heard the case in the first instance. The answer is clear; the judge who heard the case in the first instance will not be sitting on the court of appeal. I should like to go on and describe at some length the advantages of this type of amendment to the territories, but I think every lawyer in the house will appreciate what we have done.

Mr. McMillan: Referring to clause 7 again, I may say that I believe parliament fixes the salaries of judges. Does parliament fix the salaries of these deputy judges? It says here that their remuneration and allowances are fixed by the governor in council.

Mr. Bell (Saint John-Albert): I believe the answer to that question is yes. The governor in council does fix the remuneration, as the new section states.

Mr. Godin: Can the parliamentary secretary explain to the committee why there is this great departure from the practice in Canada under which in the administration of justice appointments are made by parliament itself? I realize that we are now treating of the problem of the administration of justice in a territory. It would seem to me that the same reasons apply that brought about the section in the British North America Act and that the appointments should be made by someone away above the local and interested parties and that they should especially do the fixing of the salaries of those who are judging the people of those localities. It seems to me that that matter should be given some consideration. It is with some consternation that I find that such serious appointments are made locally and that the determination of their salaries is also made locally.

Mr. Bell (Saint John-Albert): This is a step toward the independence of the courts. It was cumbersome to have the order in council procedure which existed previously. This new change merely puts the matter on a basis

similar to that on which exchequer court appointments are made. They are exactly similar in that regard.

Mr. Godin: I admit the great advantage. As I listened to the minister a moment ago I recalled the discussion we had last year on this matter. I appreciated the fact that last night the minister made reference to the investigation that followed the remarks made in this House of Commons over a year ago by the hon. member for Mackenzie River and the remarks, as the minister was kind enough to say, which I had occasion to make at that time on that score. We are therefore much interested in the matter and are pleased that this government, after some study, has done something which in some way is following the opinions announced in this house by the hon. member for Mackenzie River and myself, as stated by the minister last night.

We agree that it gives to these territories some local control in the administration of justice. But the matter of salary and appointment is in a different category than the administration of justice. I may state that I fully appreciate the previous method whereby an appeal of a case heard in the Northwest Territories which would have been heard at Chesterfield inlet, for instance the appeal would be heard possibly in Newfoundland by the application of a person who could ask the appeal to be heard where he applied to have it heard.

We are fully in accord that this local appeal court brings about a measure of satisfaction in the local aspect of the administration of justice. There is no doubt that an appeal court which is located in the area where the trial or the appeal is heard by persons who are conversant with the traditions of the way of living of these people is an important matter. But I see some danger in the method indicated there where it is not for the purpose of the better administration of justice but for the purpose only of deciding the remuneration which these people will receive and from whom they will receive their appointments. This is a full departure. This decision is made practically locally by the governor in council of that territory which in a sense is not as important possibly as the government of a province, which government is not entitled to appoint and set the salaries of its judges.

Mr. Bell (Saint John-Albert): I understand that the representation made by the hon. member and also by the hon. member for Mackenzie River and the hon. member for Yukon were a help in the formation of the new amendments here. I can only repeat what I said a moment ago, namely that the deputy judges will be set up under this new section in a way similar to that in which they are appointed under the Exchequer Court Act. They will be appointed only from time to time. It is because of the cumbersome old order in council method that this is being done. As I say, it is a step in the direction toward the independence of the courts in the Yukon.

Mr. Godin: In agreeing to all this in many ways, I do not agree that the new law states that these appointments are made from time to time. That was the query from the hon. member who spoke a moment ago. You have taken those particular words out of the act or out of former section 29. This is simply an appointment which could be an appointment for life at a salary to be fixed from time to time by the local administrative body. If the parliamentary secretary to the minister will read the former section he will find that the words "from time to time" are expressly taken out. He just said so and said that this is for the purpose of appointments from time to time. That cannot be so because those are the very words which are taken out. We had those words in the previous section but they are now taken out.

Mr. Bell (Saint John-Albert): I understand that the present legislation provides for the appointment of deputy judges under certain circumstances by the governor in council. It is frequently done as a convenience to appoint a judge from the Northwest Territories to serve in the Yukon in that capacity. This amendment will make it unnecessary to use this relatively cumbersome order in council procedure every time this need arises. As I said before, this is a step toward the independence of the courts and its deals with a situation where in the past trial judges from British Columbia and Alberta have been appointed to take trials in the territories. With this amendment such an appointment would normally occur only when neither territorial judge was able to sit. The point the hon. member is making may have some validity but I fail to see how it could exist and still give them the independence that is desired by all.

Mr. Peters: In speaking of the salaries of these judges the parliamentary secretary has mentioned following the practice of the exchequer court with regard to appointments. Will they follow the practice of the exchequer court with regard to salary?

Mr. Bell (Saint John-Albert): I assume that the sections of the Exchequer Court Act which deal with these appointments of temporary judges will apply here. That perhaps would not deal with the salary aspect because that is mentioned specifically in the bill here as

being fixed by the governor in council. There will be special circumstances undoubtedly in the Yukon.

The Deputy Chairman: Shall clause 4 carry?

Mr. Hamilton (Qu'Appelle): Seconded by my colleague, I wish to move—

Mr. Churchill: No; ask one of your colleagues to move.

Mr. McIlraith: The minister cannot move it. Let him ask one of his colleagues to do so.

Mrs. Fairclough: Mr. Chairman, I move:

That subclause (1) of clause 4 of Bill C-59 be deleted and the following substituted therefor:

(1) Section 17 of the said act is amended by adding thereto the following subsections:

"(2) Notwithstanding subsection (1) but subject to subsection (3), the commissioner in council may make ordinances for the government of the territory, in relation to the preservation of game in the territory, that are applicable to and in respect of Indians and Eskimos, and ordinances made by the commissioner in council in relation to the preservation of game in the territory, unless the contrary intention appears therein, are applicable to and in respect of Indians and Eskimos."

(3) Nothing in subsection (2) shall be construed as authorizing the commissioner in council to make ordinances restricting or prohibiting Indians from hunting for food, on unoccupied crown lands, game other than game declared by the governor in council to be game in danger of becoming extinct.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I wonder if I could make it very clear to hon. members in the committee that all that has been done here is this. If they will look at their copy of the bill in front of them they will see that subsection (4) of clause 1 now reads "Notwithstanding subsection (1)" and there is an insert of these five words: "but subject to subsection (3)". Then under subsection (3) you have this declaration which protects the traditional rights of the Indians and Eskimos to hunt.

Mr. Howard: Mr. Chairman, perhaps I was not able to follow the reading of the amendment too carefully, but in subsection (3) I understood the reference to be to Indians only, so far as hunting for game is concerned?

Mr. Hamilton (Qu'Appelle): Yes, that is right.

Mr. Howard: What would be the application of this in principle to Eskimos, who are in the same class as Indians, who desire to hunt for food?

Mr. Hamilton (Qu'Appelle): I think the hon. member has a point here. It is true that the Indians do compose the great majority of the population in the Yukon and there are only half a dozen or so Eskimos. They rarely go into that area because it is a bush area. However, I think we could meet that by adding, if the committee gives unanimous consent, the words "or Eskimos". As at present the Indians are protected in the Northwest Territories by treaty but there are no treaties in the Yukon and we put this clause in to make certain that the territorial government does not abrogate their right. I think if the house accepts that amendment unanimously I could insert the words "or Eskimos".

The Deputy Chairman: Subsection (3) as amended would read as follows:

Nothing in subsection (2) shall be construed as authorizing the commissioner in council to make ordinances restricting or prohibiting Indians or Eskimos from hunting for food, on unoccupied crown lands, game other than game declared by the governor in council to be game in danger of becoming extinct.

Is the house ready for the question on the amendment?

Some hon. Members: Agreed.

Amendment agreed to.

Clause 4 as amended agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read a third time?

Some hon. Members: Next sitting of the house.

EXPORT AND IMPORT PERMITS ACT

EXTENSION OF LEGISLATION TO JULY 31, 1963

Hon. Raymond O'Hurley (for Minister of Trade and Commerce) moved the second reading of Bill No. C-4, to amend the Export and Import Permits Act.

Mr. John Pallett (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, this bill merely extends the life of the Export and Import Permits Act for a further three years to July 31, 1963 and recognizes the replacement of the Agricultural Prices Support Act by the Agricultural Stabilization Act, 1957-58.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, the parliamentary secretary certainly has been brief in moving the amending bill. I am very anxious to commend him for that, but I am not sure that he may not have overdone it a little on this occasion. However, I do believe that this is the first occasion on which he has had the honour of presenting a bill in his new capacity of parliamentary secretary and I certainly want to extend my good wishes to him on this occasion.

Export and Import Permits Act

This legislation became necessary by reason of the last war. It was first brought forward under the authority of the War Measures Act and the emergency powers legislation, and some 13 years ago, in 1947, was brought forward under an act of this house directly related to the subject matter of the Export and Import Permits Act. That legislation, in the light of changed world circumstances and experience in operating the act, was amended and the amending legislation took the form in 1954 of a wholly new act. The 1954 act is the act with which we are presently concerned and it was first enacted for a limited period of time. In 1957 a three-year extension was provided, and this bill now before us provides a further three-year extension.

I think all hon. members will agree that this type of legislation is not the type of legislation which is desirable in our parliamentary system and that, were it not necessary, it should not be brought forward. I think hon. members will also have to agree that world circumstances being what they are today there is not much alternative left but to grant an extension of this arbitrary power given to the government to control exports for certain purposes and to control imports for certain limited purposes set out in the act. However distasteful that grant of arbitrary power to the government may be—and I think it is distasteful to all hon. members in the house—it regrettably is necessary, and I think if any evidence of that were needed it is provided by the events of these last few days.

The legislation itself provides for export control of certain commodities to all areas in the world and of all the commodities to certain areas in the world. There are two types of control, commodity control and area control. The real problem, of course, is the preservation of the security of our country and the control of exports for that purpose. I hope the parliamentary secretary will say what he considers the prospects are for any change in the export controls as they are presently applied by the orders in council authorized under the act and what, if any, recent changes have been made.

I understand from the annual report covering the period up to December 31, 1959 that there were no substantial changes in that year. However, I would ask the hon. gentleman to say when he is replying in this debate whether or not there have been any changes in the export controls during the period since December 31, 1959 and, if so, the nature of those changes and the reasons for them.

In the act, the extension of which is being sought, provision is made under the terms of section 5 as follows:

[Mr. McIlraith.]

> The governor in council may establish a list of goods, to be called an import control list, including therein any article the import of which he deems it necessary to control for any of the following purposes, namely,
>
> (a) to ensure, in accordance with the needs of Canada, the best possible supply and distribution of an article that is scarce in world markets or is subject to governmental controls in the countries of origin or to allocation by intergovernmental arrangement;
>
> (b) to implement any action taken under the Agricultural Prices Support Act, the Fisheries Prices Support Act, the Agricultural Products Co-operative Marketing Act or the Agricultural Products Board Act, to support the price of the article or that has the effect of supporting the price of the article; or
>
> (c) to implement an intergovernmental arrangement or commitment;

The section further provides:

> Where any goods are included in the list for the purpose of ensuring supply or distribution of goods subject to allocation by intergovernmental arrangement or for the purpose of implementing an intergovernmental arrangement or commitment, a statement of the effect of a summary of the arrangement or commitment, if it has not previously been laid before parliament, shall be laid before parliament at the time the order of the governor in council including those goods in the list is laid before parliament pursuant to the Regulations Act.

It will be seen that the circumstances requiring the control of imports have changed materially since this legislation was first brought forward in 1947. At that time the major problem was the problem of the sorting of goods. There was the necessity of distributing those goods which were in short supply so as to provide an equitable sharing of the limited quantities entering the country. That problem has largely, if not entirely disappeared. I point out that this represents the granting of a power, and that the authority to establish import controls has not been restricted in the amending bill. Indeed, I am wondering if there is still any need for the power granted in section 5 (a) of the act and whether or not there are any goods on the import control list under the provisions of that subsection.

Subsection (b), of course, has to do with the control of the import of articles in order to make the government's price support legislation, in one form or another, workable. The need for that power has probably increased during the years. For my part I should like to have the opportunity to examine this question to find out just how extensive a use has been made of the powers granted under subsection (b) of section 5 and I hope the parliamentary secretary will give us all the information he has on that point when he replies.

Section (c) has to do with intergovernmental arrangements or commitments. Again, I wish the parliamentary secretary would

explain what intergovernmental arrangements or commitments are still in existence at this date.

That brings me to a suggestion. The bill which is now before us is a very short and simple bill. It simply changes the expiry date of the act from July 31, 1960 to July 31, 1963, and it will be seen that according to a reasonably strict interpretation of the rules it would be impossible, or very difficult, for us to get the statistical and factual information which would be desirable during consideration of this measure by the committee of the whole. I am wondering if the parliamentary secretary would consider referring this measure to the banking and commerce committee in order that we might obtain statistical information on the points I have mentioned as well as other related points. I believe the whole matter would only require one sitting of the committee—I venture that opinion—during which time the information I have in mind could be made available. I think it is important that this should be done, because this is one of those pieces of legislation which are altogether unsound theoretically but which are, unfortunately, necessary. It is, therefore, the type of legislation which should be subject to detailed examination with a view to determining precisely what use is being made of it, and what present need exists for the powers granted. It is clear there is a need for the export control authority, but it is not so clear that the legislation is needed in respect of the import control authority.

I therefore conclude my remarks with a request that the parliamentary secretary give all the information he can, and that he consider referring the bill to the banking and commerce committee for consideration.

Mr. Erhart Regier (Burnaby-Coquitlam): I listened with a good deal of interest to the comments of the hon. member for Ottawa West (Mr. McIlraith). I had expected the parliamentary secretary in introducing the bill at this stage to give us a report on the operations of the Export and Import Permits Act, especially as it has been applied in more recent days, in order that we might more adequately be able to decide whether we ought to support the amendment to extend the operation of the act. However, our group intends to support the extension.

I endorse the recommendation made by the hon. member for Ottawa West that this bill be referred to the standing committee on banking and commerce in order that we may undertake, possibly for the first time in the history of the act, a review of the operations of this legislation. I cannot agree with the hon. member when he expresses regret for the necessity of the existence of the legislation. I am not too afraid of the government in announcing the intentions of the act. I am more afraid of the influence on the Canadian economy and security of the activities of individuals who operate primarily with a profit motive in mind than I am of arbitrary decisions by the minister who is admittedly granted much authority in the operation of this act.

We in this group regard this type of legislation as most desirable. It could be very useful as a method of regulating international trade, a method far in advance of the present method by means of tariffs. We believe that under this act, especially if it were expanded, the government could do a lot to protect not only the security interests of the nation but the economic interests of Canadian enterprise and the interests of producers and workers.

Under the act export licenses may be issued on arms and ammunitions provided they will not be potentially used against Canadians in any possible area of conflict. I wish the parliamentary secretary would report on what permits were granted within the last year for the export of arms and munitions and whether any have been issued to Central America, other Latin American countries and the Union of South Africa. I believe that report would interest all Canadians. This provision is useful in ensuring that there will be an adequate supply in Canada of items that may be desired elsewhere but that might otherwise be exported out of Canada leaving Canadians without the necessary supply.

According to the minister's annual report the export permit section is used extensively. In 1958 there were 8,199 export permits issued and 5,767 in 1959. In 1958 there were 700 applications refused, cancelled or withdrawn. Would the minister give an explanation as to what commodities the government decided against permitting to be exported under license.

The hon. member for Ottawa West placed on the record reasons for which the minister may refuse to grant import licenses, mentioning commodities in scarce world supply, refusal in order to protect agriculture in Canada and the intent of the Agricultural Stabilization Act and refusal because of arrangements existing with other governments.

I notice that the act is used for a wide range of commodities such as butter, cheddar cheese, butter fat, dry skim milk powder, turkeys and, until recently, tin. An import permit was needed if tin came from certain specified areas of the world. I believe this to be an indication of relaxing tariff barriers which

should be welcome only where an absence of export or import permits is a handicap to the development of international trade. We would like to see the act used more extensively than at present for the protection of Canadian enterprise. We hope the government will decide it is a more useful up to date system of regulating exports and imports than is our present outmoded tariff arrangement.

If the Canadian economy must import certain commodities I see no reason why the consumer should pay a tariff of any kind on the imported commodities. By wise use of this act in expanded form we could eventually abolish the tariff structure which presently controls exports and imports. The hon. member for Ottawa West is afraid of arrogance on the part of the bureaucracy or unwise decisions on the part of the government. I would recommend that the act be amended to allow an appeal by any individual or concern that feels that some civil servant or the minister has misused his authority and is not living up to the intent of the act. If there were an appeal procedure I believe the objection raised by the hon. member for Ottawa West concerning the need for the existence of the act would lose its entire validity.

Mr. Speaker: I think I should inform the house that if the parliamentary secretary speaks now he will close the debate. I do so with a comment, however, because standing order 37 refers in express terms only to the hon. member who has moved a substantive motion. The parliamentary secretary did not move the motion. It was moved by the minister and the minister spoke as the first speaker but I believe that one of my predecessors has assumed that a parliamentary secretary taking part in debate in the place of his minister does so to all intents as though he were the mover and would be considered as such for the purpose of closing the debate.

Mr. Martin (Essex East): This is to be regarded as the embodiment of soul and body.

Mr. Speaker: Some kind of transubstantiation.

Mr. John Pallett (Parliamentary Secretary to the Minister of Trade and Commerce): That is rather ethereal language for a somewhat material matter.

Mr. Martin (Essex East): The theological reference was Mr. Speaker's, not mine.

Mr. Pallett: I appreciate very much the suggestions made by the hon. member for Ottawa West (Mr. McIlraith) and the hon. member for Burnaby-Coquitlam (Mr. Regier). Some of the questions they asked were rather detailed, Mr. Speaker, and I am sure we can provide answers in committee. The officials of the department are here and the answers to the technical questions that have been asked may be available in committee.

As to the suggestion of the hon. member for Ottawa West that the matter be referred to the standing committee on banking and commerce, this is a fairly minor amendment to the act rather than a substantial one. It extends the term of the operation of the act; it is not a general amendment reviewing the whole Export and Import Permits Act. It asks for an extension for three years of the work that has been going on under the act so far. I would suggest to the hon. member and to the house that the answers to the questions that he has may be obtained in committee of the whole house, and for that reason it really does not require a reference of this bill to the standing committee.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Flynn in the chair.

On clause 1.

Mr. McIlraith: What changes, if any, have been made in the export control regulations since the end of December, 1959; that is, have any countries been added to the area of control, and have any commodities been added to the list of prohibited goods, or goods for which a permit is required?

Mr. Pallett: Since December 31?

Mr. McIlraith: Yes, since the annual report required under the act was presented?

Mr. Pallett: In answer to the hon. member's question, I would refer him to P.C.-1960/35, January 12, 1960, which has the essence of adding to the export control list pork and pork products, all destinations including the United States. That is the only regulation that has been passed since December 31, 1959.

Mr. McIlraith: What was the reason for adding that export control?

Mr. Pallett: I am advised it is an intergovernmental arrangement between Canada and the United States with respect to those products.

Mr. Regier: Is an export permit necessary for the export of arms or munitions to, say, the Dominican Republic, Cuba, Paraguay, the United Arab Republic or the Union of South Africa?

Mr. Martin (Essex East): Is it for all countries outside of the commonwealth?

Mr. Pallett: Mr. Chairman, in answer to the hon. member for Burnaby-Coquitlam, an

export permit is required for exports of arms to all countries except the United States.

Mr. Martin (Essex East): For the commonwealth, too?

Mr. Pallett: Yes.

Mr. Regier: Does this also include the Union of South Africa?

Mr. Pallett: Yes, that is correct.

Mr. Regier: How does the government undertake to ensure that arms exported to the United States will not be immediately taken out of the United States and sent to the Dominican Republic, or to Cuba, or to other areas of the world?

Mr. Pallett: There are working arrangements between governments of friendly countries that before arms may be transshipped they obtain the permission of the country of origin of the arms, and this has apparently worked satisfactorily in the past.

Mr. Regier: To what countries have we issued permits within the past year or, in this year 1960, for the export of arms or munitions?

Mr. Pallett: We did not anticipate a question of that nature. This amendment implements action taken under the Agricultural Stabilization Act, and so forth.

Mr. Robichaud: Did you anticipate any questions at all?

Mr. Pallett: If the hon. member will bear with me I will endeavour to see that the answer is given when the estimates of the Department of Trade and Commerce are up for discussion, but it will take some time to obtain it.

Mr. Regier: Can the sponsor of the bill supply us with the reason why most of the refusals of export permits were given last year? There were 167 of them. What did most of those goods consist of?

Mr. Pallett: I can tell the hon. member that most of them were strategic goods, without particularizing as to the product or the country to which they were going. They were of that general nature.

Mr. Regier: I notice that under imports there is no listing of the number of import permit applications that were turned down, not granted by the government. Was there not a single case in 1959 or 1958 where an import permit was turned down by the government?

Mr. Pallett: My recollection, Mr. Chairman, is that there were no import applications made in 1959 which fell into the categories requiring them to be turned down. However, if I find that my recollection is incorrect I will certainly have it clarified when the estimates of the department are under consideration.

Mr. Winch: I have a question here. The hon. member spoke about the export of strategic goods. May I ask whether there is any limitation on the export from Canada of almost any kind of goods, military or otherwise, to the state of Israel?

Mr. Pallett: The answer I gave to the hon. member for Burnaby-Coquitlam concerning exports to other countries applies to the export of arms to Israel. The only country to which exports may be made without a permit is the United States.

Mr. Winch: May I ask whether there is a differentiation in the export of strategic goods to the state of Israel? Are there any limitations on requests from Israel concerning things of a military nature?

Mr. Pallett: An application for an export permit for military goods is always considered in the light of the whole world picture existing at the time the application is made. There can be no offhand answer with respect to any one country at any one particular time because the decision is made after consideration of the world situation prevailing at the time the application is made.

Mr. Winch: Did I understand the minister to state that the only place there is no restriction applied to exports from Canada is to the United States, otherwise there is?

Mr. Pallett: That is right, Mr. Chairman.

Mr. Winch: May I ask why the United States? Did I understand you to say that it is only between Canada and the United States that there is nothing with regard to the export of strategic goods? Does that mean that the United Kingdom and the commonwealth—you said the United States?

Mr. Pallett: The hon. member was talking about arms. You mentioned strategic materials, and I am talking about arms.

Mr. Winch: All right, arms; are you saying now that the only place to which we can export strategic goods, without a permit is the United States? I thought we were a member of the commonwealth? I am talking now about arms and ammunition. Your statement was, only to the United States, and do you mean that you cannot export to any part of the commonwealth?

Mr. Pallett: No, we can export, Mr. Chairman, but we cannot export without a permit.

Mr. Winch: Except to the United States.

Mr. Pallett: In the matter of arms, that is correct; there are certain countries that are excepted on other materials but as to arms, your supposition is correct.

Mr. Winch: I am sorry, but I want to get this quite correct. You say without a permit we can export to the United States but without a permit we cannot export to any part of the commonwealth, is that correct?

Mr. Pallett: Your information is correct.

Mr. Winch: What is the basis of this policy whereby Canada can export arms and ammunition without a permit to the United States but cannot do so to parts of the commonwealth, the United Kingdom and Australia? We can export without a permit to the United States, but we have to have a permit to export arms and ammunition to the members of the commonwealth. This is my understanding and, if so, why? It is a most extraordinary situation.

Mr. Pallett: It is a question of effective control, Mr. Chairman. The control of the ultimate destination of the arms is much easier on shipments to the United States because there is no offshore loading. The material is not going on a boat and then being re-routed somewhere else. To prevent the arms setting out for one destination and then turning up in another. This is a question of effective control, and this is the reason the only exception made is on goods destined to the United States.

Mr. Winch: I am sorry, but do I still understand that as a means of effective control in Canada, arms and ammunition can only be exported to the United States without a permit and not to the United Kingdom and other commonwealth countries?

Mr. Pallett: Private exporters cannot export arms and ammunition to countries other than the United States without a permit.

Mr. McIlraith: Is the situation not a little different? The export control is worked in two different ways. It is control of the export of certain commodities from Canada to any destination and the export of any commodity to certain destinations; that is the way it was explained on a previous occasion, and I think it is accurate. The export of arms to the United States without a permit is related to the fact that they are not loaded on ships and, therefore, are not so easily diverted en route. Then there is export control in the United States of strategic material and, under authority granted in the act for intergovernmental arrangement, there is a kind of arrangement which prevents the strategic goods which went from Canada to the United States from going from the United States to an ultimate destination that is unsatisfactory to us. I think that is more the nature of the situation. Would the parliamentary secretary clarify that?

Mr. Pallett: I believe the hon. member for Ottawa West has said exactly what I said, only much better.

Mr. McIlraith: It is not quite as simple as that. This is a simple amending bill, but it is very important. It extends the term of a piece of legislation which, by itself, expires on July 31, 1960 and that legislation, I think all hon. members agree, is not legislation that is desirable, as a matter of theory, because it does give the government arbitrary powers.

Now, the information that we would like to get—

The Chairman: I am sorry to interrupt the hon. member, but it being five o'clock it is my duty, according to section 3 of standing order 15, to leave the chair in order to permit the house to proceed with the consideration of private and public bills.

Progress reported.

PRIVATE BILLS

Hon. Paul Martin (Essex East): Perhaps, Mr. Speaker, the hon. gentlemen who compose the team would prefer that we continue with the measure we were discussing?

Mr. Howard: Perhaps the hon. member for Essex East (Mr. Martin) should direct his question to the hon. member for Halifax (Mr. McCleave). Certainly he will find us in complete agreement with his suggestion.

Mr. Martin (Essex East): I do so. I shall ask a second time if we could not continue with the bill we were discussing. It was suggested I ask the hon. member for Halifax.

Mr. McCleave: I have been under tremendous pressures here, Mr. Chairman. If there is only one person here who is going to stand up for these people, it will have to be me. I cannot agree.

ANNA MARGARET LAURIE CANNON STEVENSON

The house in committee on Bill No. SD-45, for the relief of Anna Margaret Laurie Cannon Stevenson—Mr. McCleave—Mr. Rea in the chair.

The Deputy Chairman: Shall we take these 50 divorce bills in one item?

Some hon. Members: Agreed.

Mr. Howard: I should like to make some comment on Bill No. SD-45.

The Deputy Chairman: Bill No. SD-45.

On clause 1—*Marriage dissolved.*

Mr. Howard: In preparing for the discussion of this particular bill I have been comparing it with other particular bills and I find a marked difference in the material and evidence presented before the committee of the other place. I think the difference is sufficient to allow for a rather exhaustive examination of some of the points mentioned in that evidence and perhaps some inquiry on the part of the committee here as to the facts or some of the things which I intend to relate. But first, perhaps, before we get into that phase of it, I should properly establish some of the things which are mentioned in the petition itself. One is that the marriage took place on September 6, 1949 between the petitioner and the respondent and that it took place in the city of Montreal. The petition also indicates that there is a judgment of the superior court of the province of Quebec given on December 10, 1952 with respect to separation as to bed and board but that there was no provision for alimentary allowance to the wife and also that there are no children born of this particular marriage. The petition indicates that adultery is alleged to have taken place on December 31, 1953 and on January 1 and January 2, 1954, some six years or seven years ago.

In attempting to relate the evidence in the order in which it appears to these particular parts in the petition perhaps we could deal first with the question of the marriage. The petitioner was called and sworn and was asked a number of questions by the clerk of the committee as to her name, age, occupation, place of residence, and so on. Then following these preliminary matters these questions were asked:

Q. Are you married? And if so, to whom?
A. I am married to—

Here she gives the name of her husband or the respondent.

Q. When were you married?
A. On September 6, 1949.
Q. Where?
A. In Montreal.

Then she is asked by whom and to what church her husband belongs and then we find the following questions:

Q. I show you a document. Do you recognize it?
A. Yes, I do.
Q. What is it?
A. My marriage certificate.
Q. Are the names and dates correct?
A. Yes.

Then the marriage certificate is filed and marked as exhibit No. 1. She is then shown a photograph which was taken on their wedding day or which she indicates was taken on their wedding day. This photograph is identified and filed as exhibit No. 2.

The references to separation may be of some interest to the committee because in the evidence at the point where separation is referred to—that is separation as to bed and board—there is also testimony as to the attitude of the husband toward his wife during the period of time they lived together or cohabited as man and wife. Incidentally, I may say, this was only a period of about two months. Questions then are asked.

Unfortunately, while Mr. Lieff, Q.C. of the city of Ottawa appeared as counsel for the petitioner, I do not find in the direct examination of the petitioner any reference or any passage where Mr. Lieff undertakes any questioning. It is recorded in the evidence that the clerk of the committee asked all these questions about where the husband was born and his occupation, about separation and so on, which normally, I understand, fall to the lot of the counsel who appears for the petitioner. I would therefore assume that this item has inadvertently been left out of the evidence and that Mr. Lieff does enter the picture in the questioning here at some stage, probably right after the identification of the photograph, although this fact is not indicated in the minutes.

The questioning then proceeded, as found on page 10. As I say, I think it would have been by Mr. Lieff, counsel for the petitioner, although the record does not show it.

Q. Did you live with him as man and wife?
A. Yes.
Q. Are there any children born of the marriage?
A. No.
Q. Until when did you live with him?
A. The end of October, 1949.

This is the reference as to the fact that they lived together or cohabited as man and wife for a very short period of time, namely from September 6, 1949 to the end of October, 1959 or a period somewhat less than two months. Then the questioning continues:

Q. Did you go to the superior court of the province of Quebec to get a separation?
A. Yes.
Q. Did you get a separation?
A. Yes.
Q. What sort of life did you have with him prior to that?
A. It was an impossible life because he changed after we were married. He had been a gentle, kind person, but he suddenly became very argumentative and it turned into physical abuse and he hit me several times. I was a widow with children and they were frightened of him. He abused them.
Q. In your action in the superior court did you complain about this physical violence?
A. Yes.

Then there is some questioning about the judgment of the court, alimony and so on. Questions are also asked about collusion, condonation and whether the petitioner entered into any of these arrangements to allow

for this divorce to be granted or to allow for the evidence to be presented, or whether she condoned the adultery complained of. These again are questions which, according to the evidence, were asked by the clerk of the committee but which I rather expect Mr. Lieff would be asking. The following questions were asked:

Q. Is there any agreement or understanding between you and him to get this divorce?
A. No.
Q. Have you schemed about the adultery or connived at it or arranged to bring it about?
A. No.
Q. Do you know—

Here he gives the name of the corespondent and the answers is no. The questioning continues:

Q. Were you with your husband on December 31, 1953 and on January 1, and January 2, 1954?
A. No.
Q. Have you lived with your husband as man and wife since the separation?
A. No.
Q. Has he supported you since the separation?
A. No.
Q. Are you working?

She says that she is. Then there are questions about having sufficient for her needs and general questions of that nature. Then we find the following:

Q. Is there any possibility or hope of reconciliation between you?
A. No, that is impossible.
Q. Have you forgiven him for the adultery you complain about in paragraph 7 of the petition?
A. No.
Q. Would you take him back under any circumstances?
A. No.
Q. Did you do what you could to make a success of the marriage?
A. Yes.
Q. How long had you known him prior to the marriage?
A. A year.

Then the chairman of the subcommittee, Senator Cameron, asks:

Q. Does this mean you lived with him less than three months?
A. Yes.

There is one thought I might express here. As I understand the law as it applies, if a wife is deserted and the desertion continues for a period of more than two years then she may sue for divorce stating as her domicile the place where she lives rather than the place where her husband lives. In this particular instance the petition is signed at Islington, Ontario, dated October 6, 1959. She indicates that she is living in the province of Ontario and that they have been separated since the end of October 1949, and that there has been a so-called legal separation, a separation from bed and board, from the superior court of the province of Quebec which was granted on December 10, 1952.

It would appear that perhaps those responsible for developing any alterations to our divorce law, if any course is taken with respect to these particular divorce cases arising from Quebec, might well consider—

Mr. McCleave: Mr. Chairman, I rise on a point of order. The hon. member is now clearly in the realm of hypothetical and most unlikely developments. He is not arguing the case in issue.

Mr. Howard: If I might speak to the point of order, I would agree at first hand that it is not relevant to the case; but I do not agree that I am talking of hypothetical and most unlikely developments. I am merely suggesting that this would be a course of action for those who draft our laws to take in order that a woman in these circumstances might sue for divorce under her own domicile, in this case Ontario, instead of coming here with a petition. That concludes my comments on the point of order.

The Deputy Chairman: I think the hon. member mentioned that his remarks were not relevant to the bill. Therefore I would ask him to come back to Bill No. SD-45.

Mr. Howard: Yes, Mr. Chairman. In fact, when the hon. member for Halifax rose I was within a few words of completing my comments in that regard.

Testimony is given with respect to the allegation of adultery. It is not given by those who are classified as investigators and who make a practice of earning their living in this way because of unfortunate arrangements or strained difficulties between two people. It is testimony given by a man and woman who are man and wife, and who give in evidence that they witnessed certain things which occurred some six or seven years ago, on New Year's Eve, December 31, 1953 and on January 1 and 2, 1954.

Before we launch into considering this particular evidence I would like to express this thought, and perhaps the members of the committee can think about this and we might be able to come back to it and have some expression of opinion about it. Before I get into the evidence I may say in a general way that nowhere in the evidence, at least that I can find, is there any indication as to how the petitioner, how the lawyer, Mr. Lieff, if he did, or how anybody else in 1959—the petition is signed on October 6, 1959—had the knowledge that adultery existed some six or seven years before. Nowhere in the evidence, and I think this is a failure in it, can we find any indication as to why it took six or seven years for this particular circumstance, which it is alleged took place on New

Year's Eve of 1953 and on January 1 and 2 of 1954, to come to light.

I think this should have been inquired into before the bill reached this particular stage. I think it should have been properly gone into in the committee of the other place in order that this unknown quantity be cleared up. There certainly is the question of delay in presenting this petition. If the petitioner knew some six or seven years ago that this incident took place, there appears to be a six or seven-year delay before filing her petition for divorce. If she did not know, then I think one is entitled to clear that question up and inquire as to when and under what circumstances it came to light.

As I say, I mention that because it is a point which we can go into later in order to clear up the question in my mind as well as perhaps in the minds of other members of this committee.

In any event, a gentleman who is not classed as an investigator, who describes himself as a salesman, is called to give evidence. His wife also appears to have the sedentary occupation of housewife. This gentleman, Mr. McDonough, is called and sworn and questioned by Mr. Lieff. Starting at page 11 the following questions by Mr. Lieff are recorded:

Q. Did you receive a subpoena to attend this hearing?
A. I did.
Q. Did you receive expense money—conduct money?
A. I did.
Q. I show you a photograph, which is exhibit 2. Can you identify the person of whom that is a likeness?
A. Yes, that is—

Then he gives the name of the respondent.

Q. Do you remember New Year's Eve, December 31, 1953, and January 1 and January 2, 1954?
A. I do.

I would think he has an exceptionally good memory, Mr. Chairman, unless there were a sufficient amount of memory searching to come up with these particular facts and be so positive about them. I continue:

Q. Do you remember where you were on those days?
A. Yes, we were at Rustic motel, in the province of Quebec.
Q. When you say "We", whom do you mean?
A. My wife and I and a few other couples were there over the January week end.
Q. You and your wife and a few other couples spent the holiday week end there?
A. Yes.
Q. Do you know where—

—giving the surname of the respondent—

—was during the same week end?
A. Yes, he was with us.
Q. Was he alone?
A. No.
Q. Do you know who accompanied him?
A. Yes.
Q. Who?
A. A girl by the name of—

Then he gives the name of the corespondent. I would point out that up to this time at no place in the evidence is there any identification of this particular girl, the corespondent. Nobody says they know her, and in subsequent questioning no one asks the question: how do you know this was the name of the girl? Nowhere is it stated in the evidence that Mr. McDonough knew the girl, or asked her her name in order to find out what it was. It is just given as a statement of fact. This is a strange situation. I am not suggesting that Mr. McDonough did not know what her name was. I am only suggesting it is strange that it does not appear in the evidence how he came to know what her name was. In every case I can recall of this nature the investigators ask the name of the woman involved. Invariably they ask: what is your name? They have to know the name in order to serve the person concerned with papers, and so they can give the assurance that everything is aboveboard and that no skulduggery has taken place. In this particular instance, however, the name is given as a bald statement of fact and no elucidation follows. This, to my mind, represents a failing in the method which was used to obtain evidence before the committee of the other place.

The questions by the clerk of the committee continued:

Q. How many nights did you sleep there?
A. Three.
Q. Do you know where—slept on those nights?
A. I sure do.
Q. Where?
A. Right next door to us.
Q. What was the situation in that room?
A. Well, he was with this—

Then he gives the name—the name of the corespondent—as a bald statement of fact without any indication how he knew what her name was. That, I think, represents a failure in presenting the evidence in the proper fashion so that it can be properly assessed by the committee of the whole house here. This, coupled with a memory of six or seven years ago as proof of adultery, makes the situation even more strange. The questioning continues as follows:

Q. Were you in the room—that room?
A. Yes, we were.
Q. At what hour?
A. We were there in the morning.
Q. Each morning? Which morning.
A. New Year's morning.
Q. What did you see there?
A. Freddie.
Q. Freddie who?
A. Freddie——and this girl Ginette.
Q. How were they disposed?
A. They were dressed in pyjamas.
Q. Both of them?
A. Yes.

Q. How many beds were in the room?
A. Just one.
Q. Is there any doubt in your mind that they slept together those three nights?
A. None whatsoever.
Q. Please look at the petitioner. Is she the woman you described as Ginette——?
A. No, she is not.

I do not think the use of the name Freddie and the name Ginette here in these circumstances would amount to identification. I should say that Mr. McDonough does point out later that he knows the corespondent, that she is an acquaintance of his, but in no case does he indicate how close an acquaintance. Then in an incidental way he explains how he remembers those particular dates six or seven years ago:

Q. By the way, how do you remember those dates so well?
A. Well, because of what went on. Actually it was a bit of a surprise and actually that was the last week end we spent there.

I am not going to read any assumption into that answer, although a number of assumptions might be made concerning how he remembered that date so well. The questioning continues:

By Senator Bradley:
Q. And it was New Year's Eve?
A. Yes.
By the Chairman (Senator Cameron):
Q. Was he a friend of yours?
A. No, not using the word "friend", no.
By Senator Bradley:
Q. An acquaintance?
A. Yes.

Having run through Mr. McDonough's evidence, I will point out that, of course, he is not a professional investigator who knows exactly what sort of questions to ask. He does not give a complete blow by blow account of the things he noticed; the colour of the pyjamas they were dressed in, whether they were wearing black or brown shoes and so on. He simply gives an account of what happened in answer to questions asked by Mr. Lieff. Mr. Lieff is certainly no stranger to proceedings of this kind. He has had a considerable amount of experience in appearing before the committee of the other place.

I think it was Mr. Lieff's duty and responsibility to have made more specific inquiries about how Mr. McDonough remembers so well those dates some six or seven years ago, and how he knew the name of the corespondent. I think Mr. Lieff was somewhat lax in failing to elicit all the information which it is desirable to have before this committee and the committee of the other place. He should have examined carefully the reasons why this person knew what this girl's name was. If it had come out in evidence that the respondent and the corespondent had stayed at this Rustic motel for three days and made it known publicly that they were not man and wife then, perhaps, there would have been sufficient evidence for Mr. McDonough to have known that the name of the girl was not the same as the name of the petitioner.

Because he was acquainted with the respondent he must have known he had a wife. He must have known the woman with him at the party was not his wife. He may have been introduced to her as Ginette—. Perhaps this occurred, I have no idea. Mr. Lieff should have cleared that up unless he has become used to presenting evidence in a certain way.

The Deputy Chairman: Order. I am obliged to advise the hon. member that his time has expired.

Mr. McCleave: Mr. Chairman, I intend to intervene briefly in this debate because, as I pointed out before and must point out again, when cases are under discussion in this committee the parties involved will have one defender at least, and possibly other defenders, against remarks made against them. I will refer only to the hon. member's remarks about Mr. Lieff. If there has been any question about the way Mr. Lieff carried out his duties in this case I know that the hon. members of the committee of the other place would have been very quick to find such fault with him and to bring him rapidly to judicial heel.

In reading this case any fair-minded man would, I think, agree with me that it was properly handled by Mr. Lieff and that no aspersion can be cast upon this always eminent counsel.

Mr. Crestohl: I wish to join with the hon. member for Halifax in his expression of protest. The business of character assassination in some quarters by some men is taken altogether too lightly.

Mr. Howard: Why not name names?

Mr. Crestohl: Yes, I intend to. I simply do not remember the constituency which the hon. gentleman who interrupts represents. That is the only reason I have not referred to him.

Mr. McCleave: Skeena.

Mr. Crestohl: Thank you. The member for Skeena too lightly attempts to assassinate characters which is a despicable course of action especially when the person about whom he is talking is not present in the house to defend himself. The hon. member has now cast an aspersion on one of the most reputable members of the bar who has practised his profession for some 35 years and has considerable experience in appearing before the

committee of the other place. There has never been the slightest question about the character of Mr. Lieff nor has there been any suggestion about his having been lax. No fair-minded person could possibly think that. One is led to wonder what the hon. member could possibly have meant when he said that Mr. Lieff was lax in his duties. This distinguished counsel has always performed his duties in an outstanding manner. He is an eminent counsel. If there was any question about laxity or about not bringing out all the facts the committee of the other place the membership of which includes many eminent lawyers who are familiar with what should and should not be brought out in these cases, would have hastened to make sure that all the facts were adduced. Counsel sometimes will unintentionally overlook bringing out the full facts in a hearing but the bench, the court or the members of the committee of the other place always take the trouble to bring out anything which counsel may have inadvertently overlooked.

I rise in protest against the light way in which attempts are being made to reflect upon the characters of honourable men who over the years have earned the reputation of being honourable. I do not object to the hon. member for Skeena dealing with the matter in hand but in order to support the position he has taken he should not find it necessary to indulge in specious character assassinations.

Mr. Howard: I do not raise a point of order but I suppose one could refer to other character assassinations that have taken place. Both hon. members who have spoken have been guilty of an assassination of my character, the latter hon. gentleman in more drastic terms. I have never taken advantage of being in parliament to say anything about anyone. Anything I have said about Mr. Lieff I am prepared to say not only inside the house where he cannot defend himself but outside the house as well where we meet on equal terms. I say again I think Mr. Lieff was lax and I will go further and say if he was not then the hon. members of the committee of the other place were lax and I know I will be called to order for casting aspersions on them.

The Deputy Chairman: Order. The hon. member cannot reflect on the conduct of hon. members of the other place.

Mr. Howard: Perhaps I may be permitted to do so outside this chamber.

Mr. Crestohl: Yes, try it.

Mr. Howard: My hon. friend says, "Try it."

The Deputy Chairman: Order.

Mr. Howard: In all these cases where witnesses are called to prove allegations of adultery invariably evidence is given by the witness concerning as to how he came to know the name of the corespondent. There was evidence of a detective rifling through a woman's purse to find out what her name was.

Mr. Crestohl: Mr. Chairman, on a point of order, I think the hon. member should address the case in particular and not make general references.

Mr. Peters: The hon. member raised other problems.

Mr. Crestohl: No, I referred to this particular case.

The Deputy Chairman: Order. The hon. member for Skeena must surely know that he is required to stick to Bill No. SD-45 and not discuss general procedures.

Mr. Howard: Thank you for your kind reference to my knowledge although I think you exaggerate. I am referring to the procedure in other cases to compare it to this case. If it is not necessary to have an indication as to how an individual came to know what the name of the corespondent was I am entitled to assume that Mr. Lieff was lax in not drawing that point to its full conclusion. It is not a question of character assassination of Mr. Lieff or any other counsel who appear before the committee of the other place in these cases. Because of the frustration of other hon. members they are venting their spleen in angry words directed at me and the hon. member for Timiskaming. The allegations made by the hon. member for Halifax and the hon. member for Cartier in this instance are not true.

Mr. McCleave: On a question of privilege, Mr. Chairman, since I have been brought into this again—

Mr. Howard: You brought yourself into it.

Mr. McCleave: My remarks in the past have always been that I will protect people from unfair remarks made against them when they are not here to defend themselves. It will be my purpose in this debate to see that no hon. member shields himself behind privilege to defame people outside this chamber and I will continue to follow that course.

Mr. Howard: That is a commendable attitude. I believe no person outside this house has been wronged. I do not think I have wronged Mr. Lieff in any way. I have not and never will use the curtain of privilege of this parliament in speaking about him or anyone. I will say to him outside the house anything that I have said in this chamber. If the hon. member for Halifax feels that

anyone has been wronged he is adopting a commendable attitude in standing on his feet and making comments in their defence. I do not think he should use words like "character assassin" or cast aspersions on other hon. members, as the hon. member for Halifax has done on a number of occasions.

The Deputy Chairman: Order. This matter has been carried far enough. I am going to ask the hon. member to come back to Bill No. SD-45.

Mr. Howard: Perhaps at this stage the hon. member for Halifax with his vast knowledge, understanding and experience before the bar as a lawyer and his experience as chairman of this committee for a number of years in dealing with these cases, could clear up for me what might be a difficulty or a problem. Does he not think that it would be necessary to give in evidence the manner in which the person came to know the name of another person? For instance, in this case, does he not think it is desirous to have in evidence something which would indicate how the witness came to know the name of the co-respondent?

Mr. McCleave: I would be glad to answer that question, Mr. Chairman. Up to that point in the argument where my hon. friend was reading from the evidence I thought he made a fair case one way, that such a question should be asked. In looking it up I can see where a person might take a different interpretation from the evidence. For instance, on page 11, the husband, the witness, is asked this question:

> Q. I show you a photograph, which is exhibit 2. Can you identify the person of whom that is a likeness?
> A. Yes, that is Freddie—

And so forth. It seemed to me, in reading that, instead of giving the more proper name of Frederick, the witness, Mr. McDonough, indicated that he knew this Freddie quite well, and that was the explanation. A few lines further down Mr. McDonough says:

> My wife and I and a few other couples were there over the January week end.

I think an inference can be drawn from that. My hon. friend has drawn an inference, but there is another inference possible, namely that they attended a sort of joint venture. These were the thoughts that came to my mind and they undoubtedly came to the minds of the people who heard the case in the other place, and therefore they did not go into the matters that my hon. friend has brought out.

Mr. Howard: I am glad the hon. member has elucidated it in that way. These are the thoughts that went through my mind, and the inference could also be drawn that the witness indicated that this chap was an acquaintance of his, and that is how he came to know this person's name. This is an inference that can be drawn from the evidence; but we can infer other things, if this were a joint venture and the couples went up there for the week end. One could very well draw an unkind inference, perhaps, which I would not want to do, as to the relationship between any two of the other couples, and so on. But I still pose this question to the hon. member for Halifax, which I hope he will be able to clear up. Does he not think it would be better to have direct evidence, instead of having to draw an inference, as to how this individual, the husband, who appears as a witness, came to know this particular person's name?

Mr. McCleave: Mr. Chairman, one is always faced with a difficulty when one examines a printed record rather than seeing the temper of the witness. As far as the printed record is concerned, I think my hon. friend is right. If the witness gave a good appearance before the Senate and even were he to pick up the photograph and identify it, whether it was done in an offhand manner or in a studied manner, the atmosphere at a trial does have its effect in determining whether you have an honest witness before you or one whom you have to check pretty closely. I think that on reading the evidence here of both Mr. and Mrs. McDonough one has to come to the conclusion that obviously the people who heard the case were satisfied they had two honest and reliable witnesses before them.

Mr. Howard: If I may deal with the apparent honesty of the witnesses, I have no way of questioning it whatsoever; I merely inquired of the hon. member, and he has answered in the affirmative, whether, in reading the evidence, it would be better to have this cleared up, and the hon. member for Halifax has agreed. I appreciate very much that he has agreed with me that Mr. Lieff was a bit lax in his duties in questioning—

Mr. McCleave: I did not say that.

Mr. Howard: No; I did, and this is precisely where these questions and answers lead us. This is exactly what I was getting at in the first place. I say it now, and I will say it outside the house, Mr. Lieff was a bit lax. I used that word before; I use it now, and this is precisely what I was getting at. If this stirs up the blood pressure of the hon. member for Cartier and Sir Galahad from Halifax, I still say that Mr. Lieff was lax in his responsibility in not drawing this out

in the discussion so that this information will be brought out in a direct way in future cases.

May I carry on with the evidence? Following the evidence of Mr. McDonough, a witness on behalf of the petitioner is recalled and asked some questions by Senator Cameron as follows:

Q. Is Mr. McDonough, the witness who has just testified, related to you?
A. No.
Q. Is he related to Mr.—?
A. No.

This is a new venture in evidence in these matters as far as I am concerned, Mr. Chairman, but I assume this may have been done to clear up any doubt in the minds of the members of the committee of the other place as to the weight they should give to the evidence of Mr. McDonough. Perhaps the hon. member for Halifax will clear this up for me if I relate the assumption and ask him whether it is correct or not. I would assume that if the witness, Mr. McDonough, was related to the petitioner or to the respondent it would affect matters. Would this, not because of the inference that might be drawn by a favourable witness, if such a relationship did exist between Mr. McDonough and either the petitioner or the respondent, affect in any way the evidence? Is it possible for a relative to appear as a witness?

Mr. McCleave: I think the answer to that is not as great weight is attached. If there was any doubt as to Mr. McDonough's evidence there might have been more cross-examination of him or more cross-examination of his wife. This is quite normal judicial practice to help determine how much weight should be given to a particular witness. The witness in this case answered that he was not a relative and the court did not proceed with any further cross-examination of Mr. McDonough.

Mr. Howard: Following that, with respect to the evidence in support of the petitioner, Mrs. McDonough, the wife of the person who was the last witness, appeared. On page 12 she gives evidence with respect to the circumstances. Mr. Lieff asks these questions:

Q. Do you know Mr. John McDonough, the last witness?
A. He is my husband.
Q. Please look at this picture, exhibit 2. Can you identify the person there?
A. Yes.
Q. Who is it?
A. Freddie.

Then she gives the name of the respondent. The next question is:

Q. Would that be—

Then, Mr. Lieff gives the full and correct name of the respondent, and her answer is in the affirmative, giving the same name. Then, these questions are asked:

Q. Do you remember New Year's eve, December 31, 1953?
A. Yes, I do.
Q. And January 1st and 2nd, 1954?
A. Yes.
Q. How do you happen to remember these dates?
A. It was the New Year's week end. There were five couples up north on that week end.
Q. Where did you stay?
A. At the Rustic inn.
Q. Do you know where the others stayed?
A. They all stayed at the Rustic inn.
Q. Where was—

Then, he gives the name of the respondent.

A. He had the room next to ours.
Q. Were you in that room?
A. Yes.
Q. How many beds were in that room?
A. One.
Q. Do you know where he slept?
A. In the bed.

She is assuming he did, I am quite sure of that, in view of the circumstances and the evidence she gives later. It is rather a direct statement to say that he did sleep in the bed.

Q. In that room?
A. Yes.
Q. Did he sleep alone?
A. No, someone was with him.

Again we come to the same point we dealt with earlier, Mr. Chairman.

Q. Who was that?

Then she gives the name of the corespondent. I have the same remarks to make with respect to Mr. Lieff's laxity in questioning this witness as I did in connection with the preceding witness, a laxity incidentally, with which I believe the hon. member for Halifax, agrees.

Mr. McCleave: No, I would not like that to go unchallenged on the record. I definitely disagree.

Mr. Howard: I have not been in attendance at one of these divorce proceedings in the other place, but I assume that all the witnesses are excluded from the hearing, and each new witness is brought in as he is needed. This is the normal procedure in a court of law. I think Mr. Lieff, in his initial questioning of Mr. McDonough, brought out how Mr. McDonough happened to know the corespondent's name. Mrs. McDonough, who had not heard the evidence given previously by her husband, should have clarified that point and explained how she knew this particular girl's name. Then, there is further questioning:

Q. Were you in that room more than once?
A. Yes, every morning.

It is a very slight point, but there is some difference between her evidence and that of her husband. When Mr. Lieff asked Mr.

McDonough if he had been in that room he said, yes, we were there New Year's morning. His wife says that they were there every morning. It is a very slight point. Undoubtedly, they could both be correct because one could be there every morning and the other could be there just one morning.

Q. During the mornings when you were there, what did you see?
A. I saw—

She gives the name of the respondent and corespondent, and says they were in pyjamas.

Q. What was the condition of the bed?
A. It had been slept in.
Q. Please look at the petitioner. Is she the woman who gave her name, as so-and-so?
A. No.

There is the question of remembering events of some six or seven years ago. One might infer that these five couples were all good friends and knew each other very well, and this was some sort of a surprise. Mr. McDonough said it was. Perhaps this is the reason they remember that particular day so well.

There is one thing which I mentioned earlier, and that is the question of the time lag between the date of the allegation when adultery took place, that is December 31, 1953 and January 1st and 2nd, 1954, and the time when the petition was filed, which was in the latter part of last year. I feel that this question of the time lag should have been cleared up before the committee of the other place, but perhaps it could be cleared up in some way before we finally pass this particular bill. We know, for instance, if there is any undue delay in a court procedure between the time when the adultery took place and the time when the suit for divorce is entered, the court looks somewhat askance at the request and wants to know why there has been this undue delay. In so far as the evidence is concerned, this fact is not only unclear but there is no evidence as to when the petitioner gained knowledge of the adultery which took place some six or seven years ago. There is no evidence as to whether she had knowledge of this shortly thereafter—

The Deputy Chairman: Order. It being six o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

EXPORT AND IMPORT PERMITS ACT

EXTENSION OF LEGISLATION TO JULY 31, 1963

The house resumed consideration in committee of Bill No. C-4, to amend the Export and Import Permits Act—Mr. Churchill—Mr. Rea in the chair.

[Mr. Howard.]

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

On clause 1.

Mr. McIlraith: I wanted to ask the parliamentary secretary whether or not the order in council to which he referred earlier concerning the export of pork under date of January 12, 1960 has been tabled in the house and, if so, when? Perhaps if the information is not available at the moment the parliamentary secretary could make it available.

Mr. Pallett: I shall be very happy to do that.

Mr. McIlraith: I want to ask a further question. I presume that the order in council would be passed under the authority of section 3(b) of the act. I wonder whether he would mind explaining to the committee what the intergovernmental arrangement is concerning this item.

Mr. Pallett: If the hon. member will wait just a minute or two I will get that information.

Mr. McIlraith: In the meantime while the hon. member is getting that information perhaps I could ask one or two other questions. The export controls under section 3(a) of the act and the requirements are quite apparent. But under section 3(b) are there many items under export control and what is the nature of the items?

Mr. Pallett: I believe the hon. member wants to know what is the number of goods.

Mr. McIlraith: Yes. What is the nature of the articles under export control because of the necessity of implementing intergovernmental arrangements?

Mr. Pallett: These are the ones that are listed as the export control list. There is a very extensive list, Mr. Chairman. I do not know whether or not the hon. member wishes me to read it out.

Mr. McIlraith: We know the nature of the intergovernmental arrangements with regard to this list under section 3(a). But with regard to section 3(b), I was rather surprised to find that pork was under export control under legislation that was enacted by parliament at a time when there was an acute shortage of goods and it was necessary to establish export control for military reasons

in order to protect the security of the country. I want to find out to what extent, if any, section 3(b) has been used for commodities other than commodities of a strategic or military nature.

Mr. Pallett: To refer to the specific item the hon. member has mentioned, it was an arrangement worked out with the United States arising out of the pork support—if that is the correct word—prices that had been worked out and this is an arrangement resulting from that.

Mr. McIlraith: Yes. But the original legislation provided for import controls for that reason. As far as I am aware there was no suggestion that export control would have to be used for that purpose. I am somewhat uncertain as to why we required export control on pork at a time when farmers were complaining of the lack of markets for pork and the government itself had huge surpluses of pork on the market. It is just that narrow point to which I make reference and I should be glad if we could have it clarified.

Mr. Pallett: There is no suggestion, except in what the hon. member has said, that this limits the market in any sense of the word. Quite often intergovernmental arrangements can expand the market by moving into the market on conditions that are well known and by co-operating with them can sometimes enlarge the market to a large extent. We therefore cannot accept the inference contained in the hon. member's remarks to the effect that the market is contracted. I suggest that this arrangement enlarges it. It is certainly within the purview of this act, section 3(b) to which the hon. member has referred, to have such an arrangement as has been worked out.

Mr. McIlraith: Are there many of these intergovernmental arrangements outstanding and what agricultural products do they cover?

Mr. Pallett: The list, a combination of section 3(a) and section 3(b), is very extensive. Rather than give this answer in extensive detail, I would refer the hon. member to the *Canada Gazette*.

Mr. McIlraith: Is the list separate as between sections 3(a) and 3(b)?

Mr. Pallett: No, it is not.

Mr. McIlraith: That is precisely my point, Mr. Chairman. This was obviously created under this legislation to control the export of strategic materials and to ensure that arms, ammunition, etc. having a strategic nature might not be available to any destination where its use might be detrimental to the security of Canada. That was the original purpose of the legislation. I seem to have stumbled on the fact that this arbitrary authority given to governments may be used for the purpose of controlling a somewhat doubtful agricultural policy of the government relating to farm commodities. What I am seeking to find out is to what, if any, extent beyond the one item this is the case. I have no means of telling from the limited information I have been able to get.

Mr. Pallett: Perhaps this will allay any fear the hon. member has. These are the steps the government has taken to implement a very excellent agricultural program. I would refer to the *Canada Gazette* to which I have referred, to an item marked "Group 2. Animals and animal products". In that group are such things as butter, pancreas glands of cattle, calves and swine, to all destinations including the United States. So the hon. member will see that this is not particularly new this year.

Mr. Herridge: Would the parliamentary secretary tell us if any exporter of these agricultural products has applied for a permit to export them to a foreign market and has been refused that permit?

Mr. Pallett: As far as my recollection goes, none which has applied has been refused. If my recollection is not correct I would be glad to have the information brought forward on the estimates of the department.

Mr. Regier: I wonder if over the dinner hour the officials who are assisting the hon. member have been able to find the answer as to what countries we have exported arms and munitions during this last year?

Mr. Pallett: Mr. Chairman, the hon. member's question, as I heard it before supper, did not include all countries. I was able to obtain information with respect to certain countries but not all of them. If the hon. member wants all countries, I will be able to get that information if he would wait a little longer.

Mr. Regier: May we have the information that is available now?

Mr. Pallett: With respect to South Africa, which was one of the countries, there were ten permits issued with respect to aircraft parts and spares and six permits with respect to tank spares. With respect to Central America, about which another question was asked, there were no permits issued; and with respect to South America there were ten permits for aircraft parts and spares, three permits for tank spares and one for trucks.

Mr. McIlraith: With regard to the parliamentary secretary's suggestion about further information on the exports at the time of

the estimates, as far as I am concerned that is quite satisfactory; but I wonder if I might ask him one or two questions concerning section 5 of the act. First of all, I would like to know what, if any, commodities have been brought under import controls since the end of 1959; that is, items which are not disclosed in the annual report under the act. Second, what, if any, items are under import control by reason of section 5 (a) because of their scarcity in world markets?

Mr. Pallett: Mr. Chairman, so far as I am advised there are none which have been added to the items under import control because of world scarcity at the moment.

Mr. McIlraith: That brings me to the question as to why the government is retaining the power originally designated in the legislation of import control over goods that are required to be controlled because of their scarcity in world markets. It seems to me that this is one clause of the bill which could have been deleted. I think there should have been an examination made of the existing legislation prior to bringing the amending bill into the house.

Mr. Pallett: I think the hon. member's point is well taken. I am sure that when the act comes before the house for revision, as it must do within three years, this will certainly be one of the points to be looked at very carefully.

Mr. McIlraith: But the point now is that the act is before the house for re-enactment. The effect of the amending bill is to re-enact the act as it is, and as I say this is the sort of thing which should have been looked into before the new bill was brought in. It is the sort of thing which could very well have been looked at in committee had it gone to a standing committee.

Mr. Herridge: Mr. Chairman, may I ask if there are particular groups of civil servants charged with the administration of this act? If so, what is their number?

Mr. Pallett: I am advised that with respect to the administration of the export-import sections there are approximately 12. Of course, the prime responsibility lies with the minister.

Mr. McIlraith: Just one more question. If I may deal further with section 5(a) of the act, am I right in the assumption that import control was required to control tin by reason of its scarcity in the world market as recently as 1959? Tin was deleted from the import control list in 1959. What was the reason for the deletion?

[Mr. McIlraith.]

Mr. Pallett: As regards the trading disposition of world markets with respect to the commodity known as tin, there would appear to have been deliberate action taken by non-member countries. That could have a very serious effect on the international tin agreement and therefore on tin in this country. Arising from the situation, tin was put on the list. When that situation no longer existed, it was taken off.

Mr. McIlraith: That would be under section 5(a); it is the last entry on the list under 5(a)?

Mr. Pallett: It was the last commodity on the import control list to be removed.

Mr. Herridge: Has the parliamentary secretary any information about permits being issued to persons entitling them to export commodities, then the branch finding out later that those commodities did not go to the designated destination, but that there was some irregularity about the export?

Mr. Pallett: There is no indication that there have been any recent violations of the terms of our export permits in the manner which the hon. gentleman has indicated.

Mr. Regier: The annual reports for 1958 and 1959 do not indicate that there were any import licence applications refused. If this is the case, I wonder if the minister would explain how the act was used to implement any action taken under either the Agricultural Stabilization Act or, as it used to be called, the agricultural prices support act? I would imagine that if this machinery is supposed to aid the efforts of the government to implement the intent of either of those acts there would have been a refusal of applications to import agricultural commodities in a large number of instances. Yet, as I have said, the annual reports do not indicate any refusal to issue import licences, though there is record of refusal to allow export licences.

Mr. Pallett: On that particular matter, I know of none. I think probably the people who are importing the products know the situation here and know what they would be facing. I personally recollect no refusal, and that would seem to follow from the fact that there were no applications, the situation being known to the people who are importing.

Mr. Robichaud: I should like to have an answer by the parliamentary secretary on the following point. I understand that this act affects the Fisheries Prices Support Act. Can the hon. gentleman inform the committee as to what particular fisheries commodities have been affected by the application of this act, say in the last two years?

Mr. Pallett: That is a question beyond the purview of this amendment or this act. The hon. member asks the effect on the whole fishing industry of its mention in this act. That is very difficult, as the member knows, to ascertain. If the hon. member wishes to know if there have been any fisheries commodities put on the import control list, that is a different matter.

Mr. Robichaud: That was not the purpose of my question. I wanted to find out what particular fisheries commodities have been affected by this act, or included in the list which has been drawn up in connection with the application of this act. This act has been in operation for years, and we are being asked only to extend it.

Mr. Pallett: I would refer the hon. member as I did the hon. member for Ottawa West, to the issue of the *Canada Gazette* in which the complete list will be found.

Mr. Robichaud: It might have been easier if the parliamentary secretary had admitted he did not know.

Mr. Pallett: That would have been inaccurate.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall this bill be read a third time, now?

Some hon. Members: By leave.

Mr. Hamilton (Qu'Appelle) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

NORTHWEST TERRITORIES ACT

AMENDMENTS RESPECTING COURTS, JUDGES AND GAME LEGISLATION

Mr. Alvin Hamilton (Minister of Northern Affairs and National Resources) moved the second reading of Bill No. C-60 to amend the Northwest Territories Act.

He said: These amendments to the Northwest Territories Act are similar in almost every detail to the amendments approved this afternoon in connection with the Yukon Act.

The first concerns what might be called the major judicial changes arising from the visit of the Minister of Justice (Mr. Fulton), his deputy and the commissioner of the R.C.M.P. to the north last year. Requests for changes in the judicial system have been made in this house from time to time in the past. Last night I mentioned the hon. member for Mackenzie River (Mr. Hardie) and the hon. member for Nickel Belt (Mr. Godin). I should also have mentioned the hon. member for the Yukon (Mr. Nielsen) in this connection.

When the Minister of Justice made his trip through the north he consulted members both of the bench and of the bar in addition to others who have the task of administering justice in the north, and these recommendations for changes are the result.

These amendments do not affect changes in the form of the government as did those in the previous bill with respect to the Yukon which set up interesting and new techniques for a transition from a territorial government to a provincial government. However, I may inform the house that there are some changes going on in the administration of the Northwest Territories which this act does not cover, and I will mention these on another occasion. These concern the decentralization of government administration in connection with the treasury and purchasing offices.

The amendment dealing with game management in the territories is the same as the one we dealt with this afternoon in connection with the Yukon Act and merely seeks to end the uncertainty about the constitutional position and the right of the territorial government to deal with questions concerning game.

Mr. O. J. Godin (Nickel Belt): Mr. Speaker, we appreciate the many improvements which this legislation will undoubtedly bring to the citizens of the Northwest Territories. As hon. members on this side of the house had occasion to mention this afternoon, the benefits that will flow from some of the new regulations applying in the Yukon Territory will apply also in the Northwest Territories. There were some aspects in the legislation affecting the Yukon which were not readily understood by hon. members and it is hoped that when the present bill is studied in committee the minister will answer our questions in clarification of these problems.

Mr. Howard: Mr. Speaker, when the minister speaks will he tell us if it is his intention to insert in this bill a provision similar to that inserted in Bill No. C-59 with respect to the protection and conservation of animal life and the rights of Indians and Eskimos?

Mr. Deputy Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Mr. Speaker, in answer to the question asked by the hon.

member of Skeena (Mr. Howard) I would say this is a matter for the preference of the house. Actually the amendment referred to is not necessary in the case of the Northwest Territories Act because the Indians in the Northwest Territories are protected by treaties. All this would be is a repetition of a statement already made by the Northwest Territories council in their ordinance passed last year.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Flynn in the chair.

On clause 1—*Game ordinances in respect of Indians and Eskimos.*

Mr. Roberge: Mr. Chairman, I note that clause 1 is similar to clause 4 of Bill No. C-59. Does the government intend to present an amendment similar to that moved with respect to the other bill concerning the rights of Indians and Eskimos?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, in my closing remarks on second reading I told the hon. member for Skeena that this was up to the committee, that I was open to suggestions. I pointed out that putting in the words of the amendment used this afternoon in relation to the other bill would be quite proper in respect of this legislation. The only question in my mind is this. It duplicates the ordinance already passed by the Northwest Territories council. If the committee wishes to have this amendment inserted it would be quite in order to do so.

Mr. Howard: I am in favour of having it inserted so there would be a degree of uniformity. Did I understand the minister to say on second reading its insertion would not be necessary because a treaty exists with the Indians?

Mr. Hamilton (Qu'Appelle): Yes, Mr. Chairman, in the provinces they have power over the management of game. The treaty which the federal government has with the Indians in those provinces has an overriding power in so far as those provincial government regulations deal with Indians.

That same situation holds in connection with the Northwest Territories. The Indians there are covered by treaties. The Indians in the Yukon are not covered by treaties. That is why I pointed out to the house this afternoon the possibility of considering an amendment to guarantee that protection to the Indians in the Yukon even though the territorial government has not throughout the last 60 years in any way abused the right of the Indians to hunt. The house accepted that amendment. If the committee wants it included in this bill it could be done. It will add nothing to the protection of the Indians but it will serve to ensure the protection of their rights.

Mr. Howard: I would be pleased to move such an amendment, but perhaps the wording should be the same. There are Eskimos involved and I do not know if they have a treaty with the federal government. It would be well to include an amendment to this bill similar to the one to Bill No. C-59 which would no doubt be acceptable to everyone.

Mr. Roberge: If the minister moves such an amendment we will support it.

Mr. Hamilton (Qu'Appelle): When we come to clause 4 I will ask my colleague the Minister of Transport to move the same amendment we had this afternoon which will satisfy the hon. members for Megantic and Skeena.

Mr. Herridge: Would the minister explain for the information of the committee the exact difference between a statute and ordinance.

Mr. Hamilton (Qu'Appelle): I do not know of any nor do my advisers. I imagine it is something like this. The word "by law" is used to describe a legislative enactment of a municipal council, the word "ordinance" is used with reference to a territorial government and the word "statute" is used with reference to the federal government. There is no difference in what they accomplish. They are all legislative enactments.

I must correct myself, Mr. Chairman. Instead of referring to clause 4 I should have referred to clause 1. It would now be in order for the Minister of Transport to move the amendment to clause 1.

Mr. Hees: I move:

That subclause (1) of clause 1 of Bill No. C-60 be deleted and the following substituted therefor:

(1) Section 14 of the said act is amended by adding thereto the following subsections:

"(2) Notwithstanding subsection (1) but subject to subsection (3), the commissioner in council may make ordinances for the government of the territories, in relation to the preservation of game in the territories, that are applicable to and in respect of Indians and Eskimos, and ordinances made by the commissioner in council in relation to the preservation of game in the territories, unless the contrary intention appears therein, are applicable to and in respect of Indians and Eskimos.

(3) Nothing in subsection (2) shall be construed as authorizing the commissioner in council to make ordinances restricting or prohibiting Indians or Eskimos from hunting for food, on unoccupied crown lands, game other than game declared by the governor in council to be game in danger of becoming extinct."

Mr. Roberge: The Minister of Transport, in moving the amendment, referred to section 17 of the said act. Clause 1 in the bill refers to section 14.

Mr. Hamilton (Qu'Appelle): That is correct.

The Chairman: The correction has been made. Is the committee ready for the question?

Amendment agreed to.

Mr. Peters: Are there reservations in the Northwest Territories that treaties apply to, and does this affect the inhabitants, including Eskimos, in the same way as treaty Indians on reservations are affected in other parts of Canada?

Mr. Hamilton (Qu'Appelle): Neither in the Northwest Territories nor in the Yukon are there any reservations whatsoever. To all intents and purposes the Indians are treated the same way as others in matters of voting, business, drinking liquor, education, and everything else.

Clause 1 as amended, agreed to.

Clauses 2 to 5, inclusive, agreed to.

On clause 6—*Court of appeal established.*

Mr. Peters: Last night, on the resolution stage, I inquired of the minister whether divorce proceedings in the Northwest Territories were going to be handled by the courts of the Northwest Territories or whether they would go elsewhere. Under the old section, former clause (g) of section 28, we find the following:

> The action is for divorce or judicial separation.

It was limited. It was one of the things that you had to appeal to other courts in the provinces of Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island or Newfoundland. As I read it, it is not separated in the new section and I am wondering which proceeding applies? I am very concerned about whether they have the machinery for handling their own divorce proceedings in the Northwest Territories because I do not wish them to further aggravate a situation already bad.

Mr. Hamilton (Qu'Appelle): My memory last night turned out to be correct, but I have confirmed it by checking with the officials, and the courts in the Yukon and in the Northwest Territories are superior courts. Both do handle divorce cases and will finish them there unless there is an appeal.

Mr. Peters: Will the appeal still be on the same basis as previously under the old section?

Mr. Hamilton (Qu'Appelle): The appeals will be on the same basis but the difference is now both territories have their own courts of appeal which sit right in the territories rather than going to the province to the south.

Mr. Peters: Is the minister familiar with the type of procedure that is used there for divorces? Is it a dominion statute that is used?

Mr. Hamilton (Qu'Appelle): I am informed that the courts in the Yukon use the same rules and practices as are used by the province of British Columbia. The courts of the Northwest Territories, Mackenzie River part, follow the same rules and procedure as do the Alberta courts.

Clause agreed to.

Clause 7 agreed to.

On clause 8—*Remuneration and allowances.*

Mr. Herridge: Clause 8 reads as follows:

> The governor in council may, in special circumstances, authorize payment to a justice of the peace of remuneration and travelling and other expenses incurred by him in the performance of his duties and, notwithstanding the Civil Service Act, such remuneration and expenses may be paid to a justice of the peace who is employed in the civil service in addition to his salary.

My question is this: Under this section would it be possible for a senior civil servant, receiving a good remuneration, because he happens to be absent from his regular duties for a few days, to receive additional remuneration as a justice of the peace and additional expenses? Can the minister give us some idea of the circumstances this clause is intended to cover?

Mr. Hamilton (Qu'Appelle): At this time I should like to thank the Minister of Justice for lending me his very learned parliamentary secretary, the hon. member for Saint John-Albert, who will answer these questions.

Mr. Bell (Saint John-Albert): The extra money that the civil servant might get in this instance would not be a large sum; it would be out-of-pocket expenses, or something of that nature, for this justice of the peace work.

Mr. Herridge: There would be no question of double remuneration; that is, while on the payroll as a civil servant receiving salary for the same period in question or for a fraction thereof and an additional salary or remuneration as a justice of the peace?

Mr. Bell (Saint John-Albert): The governor in council would not provide for this extra money. Theoretically there could be double remuneration, but it would not happen in practice to any great degree.

Mr. Herridge: My question is, why, under any circumstances, is it necessary to pay a

man twice? If I have someone working for me doing a certain job and I have to take him off that job to do another one, I do not pay him twice for the job. If he is paid as a civil servant and he is required to act as a justice of the peace under this act, why should he be paid twice? This is a question I should like answered.

Mr. Bell (Saint John-Albert): This is additional work that the civil servant would be doing in most cases. It would be perhaps extra work in the evening or on week ends, and in every case there would not be double remuneration. He is getting nothing now for doing this type of work. Sometimes it takes extra hours.

Mr. Herridge: This is the point I was making. The remuneration mentioned in this bill is for work after his regular hours as a civil servant or on week ends; is that correct?

Clause agreed to.

Clause 9 agreed to.

Title agreed to.

Mr. Regier: Before the bill carries, I wonder if the minister might amend an answer which he gave yesterday. I have looked at the election returns for the year 1958, and I noticed that the people of Frobisher Bay were not able to exercise their franchise. I wonder if the minister has additional information?

Mr. Hamilton (Qu'Appelle): In answer to the question asked by the hon. member last night, Mr. Chairman, I indicated that there was nothing against the people voting in the Northwest Territories. I spoke, too, of the difficulties of getting around, and this is actually true. The fact is that for federal elections the boundaries of the Mackenzie River riding do not extend over as far as Baffin island, and in the territorial arrangements they, too, find that the constituency boundaries do not go that far. I would be glad, therefore, to pass on the suggestion of the hon. member. We have been considering it ourselves and wondering what could be done to give some representation to the scattered people in the eastern part of the Arctic. I would be glad to take the representations under consideration.

Bill reported.

Mr. Speaker: When shall the bill be read a third time, now?

An hon. Member: By leave.

Mr. Hamilton (Qu'Appelle) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

[Mr. Herridge.]

WINDSOR HARBOUR COMMISSIONERS ACT

AMENDMENT RESPECTING BOUNDARIES OF HARBOUR

Hon. George H. Hees (Minister of Transport) moved the second reading of Bill No. S-4, to amend the Windsor Harbour Commissioners Act.

He said: My department has been requested by the Windsor harbour commissioners to extend the limits of the harbour as established by the commissioners act, chapter 38 of 1957. There is extensive waterfront property and contiguous land available fronting on the town of Ojibway adjacent to Windsor, and it would be advantageous to the orderly development of the harbour area to include these properties. The municipal corporation of Ojibway has supported the proposal.

The bill is minor in character, requiring a small amendment to section 4 of the Windsor Harbour Commissioners Act to extend the south boundary of the harbour from the southern limit of the city of Windsor to the southerly limit of the municipality of Ojibway, extended to the international boundary. No other change in the commissioners act is contemplated at this time.

I might add that if the bill receives second reading I propose to move that it be referred to the standing committee on railways, canals and telegraph lines, along with the other two bills incorporating harbour commissioners at Oshawa and Nanaimo.

Hon. Paul Martin (Essex East): Mr. Speaker, I do not often rise to support measures introduced in this house by the minister who has just taken his seat, but I do rise tonight to support this amendment. However, I can hardly agree that the amendment is minor in character. I think a more precise way of stating the situation would be to say that the bill is minor in form but involving major consequences for the city of Windsor.

The purpose of this bill, as the minister said, is to extend the boundaries of the harbour of Windsor, as they were established in 1957, on the angle of that part of the Detroit river extending to the international boundary and fronting on the municipality of Ojibway. As the minister has mentioned, the corporation of Ojibway has concurred in the amendment that is now being considered by us. The house will recall that this bill, of which this is an amendment, received royal assent on April 17, 1957, having been introduced in this house by the former minister of transport, Mr. Marler.

I am sure the house will recall that on that occasion the then member for Essex West, the late Don Brown, spoke on the measure.

I should like to recall to the house the distinguished and constructive public service of that honourable and deceased man. Mr. Brown, on one occasion addressed himself to the Minister of Transport (Mr. Hees) with regard to certain questions that were then under consideration in connection with a bill concerning the development of the Hamilton harbour. At that time, referring to the Windsor situation, Mr. Brown stated that he had understood there would be an investigation, for which he wished to thank the government, into the economic possibilities of the situation at Windsor. He understood that the survey would probably reveal that bulk storage facilities would be required in the area. He pointed out that as 85 per cent of the corn grown in Canada was grown in the counties of Kent and Essex box storage facilities would be required. He expressed the hope that if the local harbour commission, made up of three well-known and estimable gentlemen of the city of Windsor, made a recommendation to the government for the erection of box storage facilities at Windsor harbour the minister would give favourable consideration to such a suggestion. The minister, however, does not appear to have made any reply to these observations at the time. It may be that, when he speaks to the constructive observations to be made by the hon. member for Essex West (Mr. Spencer) and myself, he will see fit to make some reply.

I note in looking through the main estimates for 1958-59, 1959-60 and 1960-61 that the government does not propose to advance any moneys to the harbour commission for this purpose. I would hope that after I have finished my modest contribution tonight the minister would possibly recognize that this is a responsibility that does not rest only on the local harbour commissioners or on the citizens of my community, but it is one that should engage the active interest and attention of his department. Shortly before the harbour commission took over its responsibilities, the Canada Steamship Lines vacated the public wharf property which they held. This was in March of 1958. I refer to this because it meant the loss of considerable revenue to the harbour commission. One wonders whether or not if persuasion had been employed at the time the former lessee, Canada Steamship Lines, might have continued their occupancy of this property.

In any event there was, as I say, as a result of that vacation of this wharf property, a considerable loss of revenue. I find that the wharfage revenue in 1956-57—

Mr. Speaker: Order. Does the hon. member for Essex East (Mr. Martin) not think he is going beyond the purpose of this bill and that he might more properly advance his proposition when the estimates are being considered?

Mr. Martin (Essex East): That is a problem to which I gave consideration, Mr. Speaker. However, I would doubt that I would make as great progress in persuading the minister on his estimates later on in the session as I would tonight while enjoying the quietude that prevails in this house and the obvious attention which the minister is giving to my remarks at this moment. In any event, if I may speak to the point of order,—

Mr. Speaker: I hope the hon. member will not take undue advantage of the opportunities which present themselves. Strictly speaking, he is going beyond the scope of this bill.

Mr. Martin (Essex East): I would not want to do anything that transgresses the rules. However, I was going to argue the point of order. In a bill which seeks to extend the jurisdiction of the harbour commission, I think one is in order in giving some justification for the request that is made in the application for an extension of the powers by the harbour commissioners and the way in which to do that is to point out the advantages that lie potentially in the development of the harbour at the city of Windsor. It was in the process of achieving that simple but important objective that I was engaged when Your Honour intervened.

However, I will not trespass except to say that there is, as a result, a considerable loss of revenue, something in the neighbourhood of $18,000. This revenue would be of great assistance to the harbour commission in the development of its functions and in the development of the harbour. We have seen currently some evidence in the community of private groups interested in waterfront property seeking to develop pier and bonded warehouses. One project has been reported as involving some 42 acres of property costing up to $12 million.

This project would be of great value to the community and would supplement the work of the harbour commission. This matter has a bearing on the responsibility of the department. While this project involves private enterprise, it is one which will require the co-operation not only of the harbour commission but of federal departments. Private enterprise, of course, should be encouraged in the long range development of Windsor and elsewhere but it seems to me that government assistance will also be required. At this time there is a considerable amount of activity all along the great lakes.

In Detroit, in Cleveland and in Chicago everyone is getting ready to take advantage—

Mr. Fisher: And Port Arthur.

Mr. Martin (Essex East): Someone says Port Arthur. Yes, I would mention Port Arthur although that city was given a harbour commission long after the city of Windsor was given one. I would point out that fact to the hon. member for Port Arthur (Mr. Fisher) who quite properly intervenes at this moment. All of this activity involving the expenditure of many millions of dollars is taking place in anticipation of the results that will flow from the great concept and achievement of the St. Lawrence waterway scheme.

Now that the St. Lawrence waterway scheme is a reality it seems to me that we must see to it that all of the communities on the waters involved in the St. Lawrence scheme are given the fullest opportunity to share in the benefits of that development. It is with regard to that matter that it seems to me the government has a responsibility much greater than that which at the present time seems to be exercised by the department toward the city of Windsor and, I believe, toward some other particular harbour development schemes.

I was looking at the report of the standing committee on railways, canals and telegraph lines of 1958. In their conclusions, which are found at page 150 of their report, we find an observation which I think has relevancy to the matter before us. The committee goes on to point out as follows:

> The continued close co-operation between the Department, the St. Lawrence seaway authority and the Ontario Hydro-Electric Commission toward the completion of the St. Lawrence seaway and power project was noted with satisfaction.

Mr. Smith (Simcoe North): I rise on a point of order, Mr. Speaker. It seems to me that the hon. member for Essex East (Mr. Martin) has not dealt with anything remotely concerned with the immediate bill for the last five minutes.

Mr. Speaker: I myself have intimated something along the lines of the point of order raised by the hon. member, namely that the hon. member for Essex East is going beyond the scope of the bill. It is true he can do it only by leave of the house. If a point of order is taken, as it has been, I must ask the hon. member for Essex East to apply himself to the precise principle which is the extension of the boundaries of the harbour of Windsor.

Mr. Martin (Essex East): I am doing that very thing.

Some hon. Members: Oh, oh.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): Hon. gentlemen who do not have the same interest I have in this matter possibly find this to be a laughing matter but I assure them that such is not the case. We are asking for power to extend the jurisdiction of the harbour commissioners. I am seeking to establish reasons why that should be done. One of the arguments that I am making is that this particular harbour as well as others should be given the opportunity of taking the fullest advantage of the achievement of the St. Lawrence seaway. If that is not a valid argument, then one could easily argue: Why should the powers of this commission be extended? They should be extended, Mr. Speaker, in my view, because the harbour in Windsor, its commissioners and the people of that community want to take full advantage of the development of the St. Lawrence seaway, an opportunity that is now afforded to that city as to other communities on the great lakes.

I was pointing out that this was the view of a committee of this house unanimously expressed in 1958. I was referring to the St. Lawrence seaway in that context. The final sentence in that paragraph certainly indicates what I am seeking to do when it states as follows:

> The committee recommends for the consideration of the department the establishment of an economic survey to consider the effects of the St. Lawrence seaway project upon all regions of Canada.

My argument is that it is not sufficient to treat this particular harbour commission as a commission of a particular category, there being three which are concerned, and that the department itself must take more than a casual interest in the development of something that obviously has a local interest. That is the argument I am seeking to make. I would think that no one would question the argument that in seeking to add to the jurisdiction of the harbour commission, one is justified in showing why that should be done.

Mr. Hees: On the point of order, may I say that this bill does not deal with the extension of the powers of the Windsor harbour commission. This bill simply deals with the extension of the limits of the jurisdiction of the Windsor harbour commission.

Mr. Martin (Essex East): That is right.

Mr. Hees: It is not extending the powers at all. I think the hon. member should confine his remarks to whether or not the extension of these limits is justified. It has nothing to do with the powers of the Windsor harbour commission.

Mr. Martin (Essex East): Obviously if you extend the limits of the area over which the harbour commission will have jurisdiction you extend its powers as well as extend the limits of the harbour facilities. I am sure the minister will find that is so. If the minister is patient, he will hear me out, and this will not take very long. I think it is a valid and useful argument to make. Are we to take the position that a commission like this must depend only upon its own resources?

Mr. Speaker: I must tell the hon. member for Essex East that I fully agree with the point of order that has been taken. This bill has nothing to do with the setting up of a commission to inquire into the operation of the seaway. The bill under discussion only extends the area of the harbour under the control of the Windsor harbour commissioners; therefore I must ask the hon. member for Essex East (Mr. Martin) to reserve this discussion on other subjects to another time.

Mr. Martin (Essex East): Mr. Speaker, if you insist on that ruling I obviously have no other course, but I would submit to you with confidence that there is a strong and justifiable position procedurally to take against the position Your Honour has taken. But I will not press the point except to say that I have suggested in the few words I have addressed thus far to the minister what is in my mind, and before his estimates are reached perhaps he will find ways and means of dealing with the matter.

Of course this is a valid amendment. We want to develop the harbour facilities at Windsor on the Detroit river, the most heavily travelled river of any country in the world, more than the Suez and Panama canals together. We want to strengthen the hand of the harbour commission which will mean a great deal to the city of Windsor. It is not only a question whether or not there is enough business now. The suggestion is that we ought to be able to create enough business, and to do that the commission must be afforded assistance from the department of the federal government as well as being able to get whatever assistance it can from other sources.

I think that when facilities have to be developed in the seaway system itself they should be developed in accordance with a policy which will apply to the entire system and we in Windsor should not be any different from Hamilton, Toronto or New Westminster. New Westminster has received two or three loans from the federal government, and that kind of assistance should be open to a harbour like this. If the minister does that and takes the active interest in this matter that I know he will and I know he wants to, he will find that he will have accomplished for the city of Windsor perhaps the most useful service he can render to a community which I think has great potential in this regard.

Mr. Speaker, I am sure that if I could have gone on and developed my carefully prepared argument I would have received from the member for Essex West the fullest support which I know every citizen in Windsor will accord to what I have said tonight.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, there is not much we have to say on this bill. We know the hon. members for Essex West (Mr. Spencer) and Essex South (Mr. Thrasher) are vigilant in Windsor's interest and after they have expressed themselves I am sure everything will be in order in this bill.

I think the few remarks I have to make will be in order since they deal with the principle involved here whether another municipality is taken within an authority that is already constituted. I understand that there have been difficulties in British Columbia with one of the harbour commissioners in so far as an extension similar in scope to the property that the Windsor harbour commissioners control. This extension took in several other municipalities, and under the representational set-up already in the act these communities had no representation on the board.

We know very little about this municipality of Ojibway mentioned here. I looked forward to hearing something about it from the previous speaker, some detail which would have aroused our interest and satisfied our curiosity. We would appreciate hearing from the minister how populous this municipality is and whether there is any demand in that particular municipality for an extension such as this. I would also like to know whether they are going to have any representation on the commission as a result of this extension of the Windsor harbour commissioners' authority into other municipalities. No one needs to tell the minister with his experience of the lakehead harbour commissioners how delicate the whole question of municipal pride is and how easy it is to whip up harsh feelings on a matter such as this. I think he is aware of our particular situation. We have had a great deal of bitterness since he became minister on the part of the lakehead harbour commission, much of which turned on the conflict between the municipalities and the question of municipal representation.

I think this is a matter upon which we should have a rather complete explanation

from the minister or some of the hon. members from the Essex area so that we can be absolutely clear there will not be at a later date any bad feelings over this extension of territory. I myself would like to have known into whose constituency the extension has been taken—

Mr. Martin (Essex East): Both Essex East and Essex West.

Mr. Fisher: It appears to involve two members, including the hon. member who has just spoken. I am surprised he did not have this information because I would have thought it was the sort of thing the representative of a constituency would be proud of.

The final matter which comes into question on second reading of the bill, so far as the principle of it is concerned, is this. Since it is only such a relatively short time since this board was set up, why was not consideration given to this at the time? I know the minister will probably answer it was because the previous government which brought in this legislation did not take a proper look at the thing. The original bill was given royal assent on April 12, 1957. That is only three years ago and already an extension is being asked for. It almost indicates that the previous government was short of good advice from the Windsor area when it drew up this bill.

Mr. Martin (Essex East): It indicates the progressive character of the community.

Mr. Fisher: The hon. member says it indicates the progressive character of the community. It is very hard to follow that remark when we have heard so much cry havoc from the hon. member who was speaking before me.

Mr. Martin (Essex East): Do you deny there is unemployment in Windsor?

Mr. Speaker: Order.

Mr. Fisher: Mr. Speaker, I would appreciate receiving answers from the minister to these two questions. First of all with regard to the municipal situation and representation for this other municipality on the harbour commission; second, the matter I touched on a moment ago.

Mr. N. L. Spencer (Essex West): Mr. Speaker, I think my first words should be to assure you that I will not be as verbose as was my colleague from Essex East (Mr. Martin), and I will try and confine my remarks as closely to this bill as I can in the circumstances.

It is not often that I find the hon. member for Essex East and I are in agreement on legislation which comes before this house. I am happy to find that he is supporting this legislation and I hope that that is a good omen for the future.

I think it might be well if I were to say just a word or two about the location involved in this bill. The hon. member for Essex East has indicated, as is quite true, that the city of Windsor is located on the Detroit river which is the busiest waterway in the world. During the navigational season a cargo ship passes every 20 minutes on the average, and in excess of 130 million tons of cargo is carried along that waterway during the season. Geographically we are, of course, in a unique situation. We lie south of the entire state of Michigan, and the territorial limits of the county of Essex include Pelee island which is the most southern territory in Canada. In this area of Essex county we find a great agricultural development and in the city of Windsor we have great industrial production. Because of both the agricultural production and the industrial production in the area there is great need for harbour facilities.

Mr. Martin (Essex East): Hear, hear.

Mr. Spencer: Of course, I join the hon. member for Essex East in complimenting the former government on bringing in the bill which incorporated the Windsor harbour commission and I pay my due respects to the former member for Essex West who was a prime mover in the sponsorship of that legislation. When that measure was enacted the limits of the harbour commission were restricted to the limits of the city of Windsor. I believe the reason for that was that it was desired that there should be a commission formed as quickly as possible, with the idea in mind of taking full advantage of the development of the St. Lawrence waterway. I wish to compliment the Minister of Transport (Mr. Hees) and the officials of his department as well as the officials of the Department of Public Works with whom they cooperated closely, and express my appreciation to them for having gone to Windsor on many occasions to look into the potentialities as far as harbour development is concerned. As a matter of fact tenders are now being called for the renovation of the present government wharf and warehouse in the harbour.

I think the hon. member for Port Arthur (Mr. Fisher) raised a very good point, but may I say to him that we in the city of Windsor and in the metropolitan area of Windsor do not have these local jealousies to which the hon. member referred. I think it is significant that while the Windsor harbour commission is at present restricted, as I say, in its territorial limits to the harbour area opposite the city of Windsor, none of the

three present appointees to the harbour commission actually lives in the city of Windsor. They live in the metropolitan area, but we in the city of Windsor do not pay much attention to the particular locality in which public spirited men may reside. While these gentlemen reside outside the city of Windsor they have their business interest in Windsor, and their whole thinking and ambition is to promote what is best for the whole community of metropolitan Windsor.

Mr. Martin (Essex East): Hear, hear.

Mr. Spencer: Thus we do not think that any difficulty whatever will arise as far as the composition of the harbour commission is concerned.

As the minister has said, the corporation of the town of Ojibway which, incidentally, is entirely within the constituency of Essex West, has approved this extension of the jurisdiction of the present Windsor harbour commission, and there is no suggestion that there is going to be any conflict of ideas as far as the composition of the commission is concerned. It is still going to be the Windsor harbour commission, and no difficulty in that respect need even be contemplated.

The actual need for the extension lies in the fact that Windsor is an old community and we have there natural harbour facilities in that there is a deep waterway running along the border of our municipality. As a result of this natural harbour we have found that industries which require water transportation have located themselves along that waterway, though primarily within the corporate limits of the city of Windsor. We believe that for the future development of the whole harbour area it will be essential to utilize some of the additional harbour facilities which lie further down stream.

There are at the present time in the town of Objibway, however, facilities for shipping. I may say to the hon. member for Port Arthur that we had a very good vision. It did not materialize, but we had in mind that in Objibway there would arise one of the larger steel plants of this country. As I said, that vision did not materialize, but considerable work was done. Cuts were constructed and docks built with the result that there are facilities at the present time in the town of Objibway for ships. Between that portion of the town of Objibway where these facilities exist and the boundaries of the city of Windsor lies an area which is readily adaptable for harbour development and we believe that this harbour development should be undertaken in an orderly manner and under direction; and that for this reason the territorial limits of the present harbour commission should be extended further down stream to include this additional area.

The minister has indicated that when and if this bill receives second reading it be referred to the standing committee on railways, canals and telegraph lines. I wonder if I would be presumptuous in suggesting that instead of referring this bill to that committee it be considered in committee of the whole at this time with the consent of the minister and of the house. Although the implications of the amendment may be quite extensive in that it increases the area over which the harbour commission has jurisdiction no other amendment is being made to the provisions of the act. I see no need for referring this bill to the standing committee and think it could well be dealt with in committee of the whole house this evening and perhaps receive third reading.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, while the hon. member for Port Arthur (Mr. Fisher) is our shining lighthouse and harbour master, I want to make a few points. I wish to support the comments of the previous speaker and urge the minister to give full answers to the questions raised particularly with respect to representation of persons included in this greater area.

I wish also to compliment the hon. member for Essex East (Mr. Martin) for his short talk on this bill which is of great importance to his constituency. I noticed that the hon. member for Essex West (Mr. Spencer) said when he got up that he was not as verbose as the hon. member for Essex East but both spoke for approximately 15 minutes and I could not see much difference.

I think the hon. member for Essex East made a good point when he was questioned about being out of order and said that you cannot extend the area of jurisdiction of any board without extending its powers. That is a valid argument and he made an excellent case.

This is another illustration under the stresses of changing conditions and circumstances of extending the area of public planning and control. Anyone who has read the debates of this house of many years ago with respect to harbour commissioners and developments of that kind will remember that the Tory element in the community resisted that kind of development. This is a demonstration in a local sphere of a segment of C.C.F. policy.

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, I have only a few points to make and I can assure the hon. member for Kootenay West

(Mr. Herridge) that I will not speak for 14 or 15 minutes. I should like to remind the hon. member for Essex East (Mr. Martin) that although the jurisdiction of this commission does not come within the electoral district of Essex South, certainly any developments in the harbour there will be of great benefit to people residing in the electoral district of Essex South. I am sure the hon. member would not want to overlook that fact.

Mr. Martin (Essex East): Hear, hear. We are a very united community.

Mr. Thrasher: In reply to the hon. member for Port Arthur (Mr. Fisher) may I say that Ojibway is short of residents. It has no schoolhouse that I know of but it has a large industrial assessment and therefore is a plum that is coveted by other municipalities.

Speaking on this bill gives me an opportunity of paying tribute to the groundwork laid by the former hon. member for Essex West, Mr. Don Brown. As was indicated by the hon. members for Essex East and Essex West, Mr. Brown was the sponsor and prime mover of this particular bill. I am sure his untimely death was a shock to his many friends in this house. The amendments to the bill at this time give those of us who were close to him and his good friends—even though some of us were his political adversaries—an opportunity of paying our respects to him.

I also wish to pay tribute to the Minister of Transport (Mr. Hees) and his department and the Minister of Public Works (Mr. Walker) and his department for the wonderful co-operation and assistance they have given to the present harbour commissioners. In doing so I should also like to pay tribute to the present harbour commissioners who are doing an able job enthusiastically. If they continue in the direction in which they are going I am sure it will not be too long before we have a very large development in that area.

Mr. Speaker: Order. I must inform the house that if the Minister of Transport speaks now he will close the debate.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I am very pleased indeed, quite naturally, that all those hon. members who have spoken on the bill have supported it with such enthusiasm.

The hon. member for Port Arthur (Mr. Fisher) asked if the residents of Ojibway would be represented on the harbour commission. The answer, as the hon. member for Essex West (Mr. Spencer) has pointed out—he is the member of parliament who represents this community—is that they are very happy to have their area included under the jurisdiction of the Windsor harbour commission.

As the hon. member for Essex West and the hon. member for Essex South (Mr. Thrasher) have pointed out, the members of the Windsor harbour commission are obviously doing a very good, workmanlike and satisfactory job and the people of the municipality of Ojibway are happy to be represented by these commissioners. I think that is an answer to the hon. member's question.

The hon. member for Essex West suggested that perhaps this is not a complicated matter and that it might save time if it were dealt with in committee of the whole house now instead of referring the bill to the standing committee on railways, canals and telegraph lines as I originally intended. Perhaps if the house agrees with the suggestion of the hon. member for Essex West the bill might be dealt with in committee stage of the house now and receive more rapid passage in that way. That, of course, is up to the members of the house. If it is their wish to carry on with the committee stage now I am agreeable. Otherwise, I am content to have the bill referred to the committee.

Mr. Chevrier: Mr. Speaker, it was always the practice I believe in our time in office to send all these bills to the committee and I think in this instance we should follow that practice.

Mr. Hees: I am perfectly happy to do that, Mr. Speaker. That was my original suggestion. However, as it is the practice of this government to listen to all suggestions made by hon. members and particularly those who speak with the knowledge and authority of the hon. member for Essex West on a matter of this kind, I was willing to consider the hon. gentleman's suggestion, if it was the wish of the house to follow that suggestion. As the hon. member for Laurier (Mr. Chevrier) has suggested we would like to see the bill go to the standing committee on railways, canals and telegraph lines and I will move, seconded by my colleague the Minister of Defence Production (Mr. O'Hurley) that that procedure be followed.

Mr. Spencer: May I intervene at this moment to point out that it has not been the custom always followed. When the bill was passed in 1957 it did not go to a standing committee of the house; it was dealt with in committee of the whole house and received consideration in that committee and third reading was given on the day it was introduced for second reading.

Mr. Martin (Essex East): May I say one thing. I was inclined to think that there was merit in the suggestion made by the hon. member for Essex West, but after listening to the hon. member for Laurier (Mr. Chevrier) it just occurred to me—I think the hon. member for Essex West will perhaps agree—that a possible great advantage may ensue to our community if we go to the committee in that we might be able to put to the officials of the department, and possibly to the minister, some of the arguments that would perhaps influence the minister to do more for the harbour than is now being done by the government.

Mr. Hees: I move, Mr. Speaker, that the bill be referred to the standing committee on railways, canals and telegraph lines.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

OSHAWA HARBOUR COMMISSIONERS

ESTABLISHMENT OF CORPORATION FOR MANAGEMENT AND DEVELOPMENT OF HARBOUR

Hon. George H. Hees (Minister of Transport) moved the second reading of Bill No. S-5, to incorporate the Oshawa harbour commissioners.

He said: An interdepartmental committee comprising engineers and economists from the Department of Transport and the Department of Public Works investigated the development of Oshawa harbour that might result from the opening of the St. Lawrence seaway. It was found that although there might not be an immediate requirement for harbour works outside of dredging, the harbour being located only 17 miles from Toronto would be likely to develop by the establishment of industries requiring marine transport.

The city of Oshawa made formal application recommending the incorporation of harbour commissioners and would provide harbour front property, owned by the city, for management and development by the commissioners.

My department operates the government wharf that is used in the handling of coal, fuel oil and gravel from which a gross annual income of $18,000 is derived. The wharf would be placed under the management of the commission and the revenue would accrue to it.

The purpose of the bill is to set up a harbour commission to operate the harbour. There will be three commissioners, two appointed by the governor in council and one by the city of Oshawa. The bill is similar in every detail to the one passed in April, 1957, to incorporate the harbour commissioners for Windsor, Ontario.

As already indicated, I propose to move after second reading that the bill be referred to the standing committee on railways, canals and telegraph lines.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, this is the second such bill that has been brought to the attention of the house tonight and I see that there are others on the order paper. I rise to support the bill of the Minister of Transport (Mr. Hees) and in so doing may I say there are one or two points that I should like to bring to his attention as well as to the attention of the Minister of Public Works (Mr. Walker) because, unless I mistake the position of the two ministers, the Minister of Transport is responsible for the harbour commission that will be established under this bill and the Minister of Public Works is responsible for harbour facilities that may be erected by this harbour commission.

I think the House of Commons should know what plans are in the minds of the ministers, but more particularly in the mind of the Minister of Public Works in so far as the development of these harbours is concerned, arising out of the St. Lawrence seaway. It has been said repeatedly by this administration, as well as by the former administration, that the St. Lawrence seaway was going to have the effect of opening up many harbours. This statement is certainly confirmed by port facilities that are being built on the United States side of the great lakes and of the St. Lawrence. Before this bill is passed we would have some intimation, some inkling, from the government as to what its policy is with reference to this.

This brings me to a matter which I raised in the house and in the committee on railways, canals and telegraph lines two years ago when I submitted to the Minister of Transport and to the members of that committee that an economic survey should be made by the officers of the Department of Transport with reference to the impact which the St. Lawrence seaway would have upon the various regions of Canada. I repeated that in the house on two or three occasions and very little attention was paid by the Minister of Transport.

I say to the minister that of course he listened very carefully to what was said but absolutely nothing was done with respect to the recommendation. I understand that my colleague, the member for Essex East (Mr. Martin), has put on the record the recommendation which was made by the committee on railways, canals and telegraph lines in its

report in 1958, and I should like to put it on the record at this time. It is to be found at page 150 of the minutes of proceedings and evidence of that committee of 1958:

> The continued close co-operation between the department, the St. Lawrence seaway authority and the Ontario Hydro-Electric Commission toward the completion of the St. Lawrence seaway and power project was noted with satisfaction. The importance of the seaway and its beneficial effect on Canadian inland ports was recognized by your committee, and a recommendation that municipalities which expect to enjoy maximum benefits from the project should survey existing port facilities and endeavour to determine necessary additional requirements, received the general support of members. The committee recommends for the consideration of the department the establishment of an economic survey to consider the effects of the St. Lawrence seaway project upon all regions of Canada.

If that had been done either by the St. Lawrence seaway authority or by the economics branch of the Department of Transport a great deal of misgiving would have been spared the various regions of this country. I can think of the Atlantic region; I can think of the region which is on the south shore of the gulf of St. Lawrence, in the Gaspe area; I can think of the north shore of the St. Lawrence river, in the province of Quebec, where there is a tremendous amount of industrial development going on; and I can think particularly of the whole upper St. Lawrence from the international section right up to the foot of lake Ontario which, of course, includes the city of Oshawa.

Before a bill of this nature is passed it is essential that the city of Oshawa should have some idea of what the economic effect of the seaway is going to be on that port as well as on the other ports of the great lakes. It is known in the United States; it is known by a number of surveys that have been made there, as I will indicate on another occasion, not this one, what the effect of the seaway is and, because it has been known, large sums of money have been spent, for instance, in Milwaukee, in Duluth, in Chicago, in Buffalo, tremendous sums of money for port facilities, awaiting the movement of foreign-going vessels up the great lakes. But what have we done?

I made a motion in the House of Commons the other day for the production of a report from the Minister of Public Works as to what had transpired between the international section and the foot of lake Ontario. The minister opposed the motion and would not produce the report so that the house could know, so that Canada could know, what the officers of this department were doing about the development, industrial or otherwise, arising out of this new seaway and what effect it would have upon the various areas.

I could point to two such surveys which were made in the United States. I have one in mind now which is directly opposite the shore which extends from the international section at St. Regis right up to the foot of lake Ontario. On the Canadian side we have absolutely nothing, but on the United States side every port extending from Rooseveltown right up to Oswego has been surveyed and publicized with all sorts of information and data to give to the public to encourage industry to go there, as well as to encourage the state in case they should be interested in developing port facilities in that area.

It is a good thing to set up this commission. I am sure it will be a good thing for the city of Oshawa. I am sure that Oshawa wants it. But to what extent do we, in this country, know what the effect of the seaway will be on the Canadian side of the line? I believe that before very long this government will have to come to the conclusion it will have to spend large sums of money in order to assist industry to establish itself in these areas.

Mr. Hees: May I ask the hon. member a question?

Mr. Chevrier: Yes.

Mr. Hees: May I ask him what the previous government did in the way of providing the Windsor harbour commissioners with this information before they set up the Windsor harbour commissioners in 1957 at a time when the St. Lawrence seaway was approaching completion and at a time, if what he says is correct, they should have had some information on what the St. Lawrence seaway would do.

Mr. Chevrier: The minister has asked a question, and I think he is entitled to a reply. The reply is this, that the problem did not arse at that time.

Mr. Hees: Well, why?

Mr. Chevrier: At that time there was one problem with which the house was charged and with which the Department of Transport was charged, and it was the completion of the St. Lawrence seaway. Surely the house will not think that it was illogical to complete the seaway first, then having built it, to give some consideration afterwards to the port facilities that are required along the waterway, both on the St. Lawrence and on the great lakes.

Mr. Hees: May I ask the hon. member another question, then?

Mr. Chevrier: Yes.

Mr. Hees: Is it not, then, equally logical to first set up the Oshawa harbour commission, and then proceed with the kind

of studies that will be beneficial to that harbour commission, as you have suggested?

Mr. Chevrier: No, I do not think so. I think the first thing the minister should have done was to establish the economic survey for which I asked two years ago.

Mr. Hees: Like you did in 1957 when you set up the Windsor harbour commissioners.

Mr. Chevrier: If he had established the economic survey then he, and his colleague the Minister of Public Works, would be in a position to tell the city of Oshawa to what extent port facilities could be built there. As it is now—

Mr. Starr: I rise on a question of privilege; I have listened intently to what the hon. member for Laurier (Mr. Chevrier) has said. I am getting a little worried because we have enjoyed a good economic situation in Oshawa.

Mr. Chevrier: What is the question of privilege?

Mr. Starr: The question of privilege is this, that the hon. member is insisting upon an economic survey. I want to inform him that a team—

Some hon. Members: Order, order.

Mr. Starr: An economic survey has been made by a team composed of—

Mr. Speaker: Order; the hon. member has not indicated any question of privilege. If he—

Mr. Starr: I think he is trying to ruin our economy in Oshawa.

Mr. Speaker: Order; if the Minister of Labour (Mr. Starr) finds that the hon. member for Laurier, who has the floor, is making any statement which he feels he must contradict, he will have an opportunity of doing so at the end of the hon. member's remarks.

Mr. Chevrier: I want to show how ridiculous the interruption of the Minister of Labour (Mr. Starr) has been because if the suggestion which I made several years ago had been followed, then it would not have been necessary to make economic surveys for each and every port. An over-all economic survey of the whole position would have been made, and what is more that economic survey was done in part and I am sure that if the Minister of Transport had been left alone he would have completed the economic survey. If he had, then we would know whether it is necessary to spend $100 million to develop port facilities along our waterways or $500 million. As it is now, we do not know.

Mr. Hees: I rise on a question of privilege. I have been accused of not doing something. Of course, if such a survey were needed, then it should have been done by the St. Lawrence seaway authority when the hon. member was president of it and before the seaway was completed.

Mr. Speaker: Order; the minister will have his opportunity to speak later.

Mr. Chevrier: Apparently the Minister of Transport does not like this.

Mr. Hees: I do not like nonsense as you are talking about it.

Mr. Chevrier: If it is nonsense, then here is the committee on railways, canals and telegraphs lines, in vast majority composed of members from the other side of the house, who accepted this recommendation but the minister would not put it into effect. If the minister had followed the recommendation made by the committee, the majority of whose members were from his own party, then he would have conducted an economic survey, as he should have.

So far as his colleague is concerned, the Minister of Public Works, the arrogant Minister of Public Works, who is not here at this time but who attacks other members of this house when absent.

Mr. Bell (Carleton): You only say it because he is not here.

Mr. Chevrier: I will say it in his presence. What I am saying now is that he attacks other members of the house when they are not here. I say that the arrogant Minister of Public Works has refused—

Mr. Grafftey: Thin skinned prima donna.

Mr. Chevrier: I say that the arrogant—

Mr. Speaker: Order.

An hon. Member: Ten o'clock.

Mr. Chevrier: No, it is not ten o'clock yet. I still have a minute. I think that if the Minister of Public Works were only to follow the example given on the other side of the international border by other groups who are making very serious surveys of every part, as I will have an occasion of showing at a later date, from the international section at St. Regis right through to the foot of lake Ontario, then he will see how important it is for these areas to obtain the facilities to which they are entitled. In so far as the city of Oshawa is concerned, if only that survey had been made, then the city would

be in a far better position than it is today to ascertain what the future needs of the community will be.

An hon. Member: Are you opposed to the bill?

Mr. Chevrier: No, I am not opposed to the bill.

Mr. Ricard: But you talk against it.

Mr. Chevrier: No, I do not speak against it. I said, on the contrary, we would support the bill. I think it is an excellent idea that all the ports on our side of the line should set themselves up with commissions such as this, provided and on condition that they have some idea from the government in office what the industrial possibilities are in the future. In so far as the communities extending all the way down from the city of Toronto to St. Regis are concerned, there are very few of them that know what the future holds for them.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business is for tomorrow?

Mr. Churchill: We will continue with the items that I called yesterday, but I will name them again. The first will be Bill No. S-5, an act to incorporate the Oshawa harbour commissioners, followed by Bill No. S-10 with regard to the Nanaimo harbour commissioners; Bill No. S-2, the Canada-Netherlands Income Tax Agreement Act; Bill No. S-7, an act to repeal certain fisheries laws of Newfoundland; the next item would be the resolution in the name of the Minister of National Health and Welfare pertaining to the Old Age Security Act.

Mr. Chevrier: What number is that?

Mr. Churchill: That is No. 15 on today's order paper. The sixth item would be No. 8 on today's order paper, namely Bill No. S-27, an act to control and regulate the sale of feeds. The seventh item would be Bill No. S-28, an act respecting a certain trade agreement between Canada and Australia. That is for Wednesday. On Thursday there will be interim supply followed by the estimates of the departments of agriculture, fisheries and post office. That is for Thursday and Friday.

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

HOUSE OF COMMONS

Wednesday, May 18, 1960

The house met at 2.30 p.m.

(Translation):

PRIVILEGE

MR. BRASSARD (CHICOUTIMI)—REFERENCE TO ARTICLE IN "LA PRESSE"

Mr. Vincent Brassard (Chicoutimi): Mr Speaker, I rise on a question of privilege. Yesterday, the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) raised a point of privilege regarding a letter published in *La Presse* of Montreal for April 9, 1960. I could attempt to seek refuge in the fact that his intervention came rather late, but I want to say I had never intended to question the impartiality of the deputy chairman of the house, or that of his assistant.

The sole burden of my complaint in the letter in question was that it is sometimes difficult for a new member, who is not in the habit of rising very often and does not know too much about parliamentary usage to catch the eye of the person chairing the committees.

Let me add that, if what I wrote could be construed as even an implicit reflection on the deputy speaker or his assistant, I consider it a pleasure and a duty to withdraw what may have been interpreted as a charge or even an insinuation of partiality.

I appreciate that the task of the person presiding over a committee of the whole house is not at all an easy one, and if, unintentionally, I have caused him any pain or embarrassment, I sincerely regret it, and I hope that both he and the house will accept my most sincere apologies.

(Text):

Mr. Speaker: The hon. member for Chicoutimi has made a statement which the house has heard. The matter was raised yesterday, as hon. members will recall, as a question of privilege and a motion was tendered which was reserved until the hon. member was in his place. The statement he has made which, if I may express an opinion, seems to be a complete retraction of anything that was offensive and a disclaimer of an intent to be offensive to the Chairman or Deputy Chairman of course will be considered by the house, by the mover of the motion and by those who were affected, and I hope will be considered as satisfactory.

For myself, there was a reference in the extract which was read yesterday relating to the practice of recognizing hon. members in the course of debate which was somewhat erroneous. The practice has been clear, I think, throughout the years that in debate hon. members are recognized alternatively from each side of the house.

The other point raised was about a list of speakers. It is true that lists are submitted to the Chair to advise him of those who have the intention of speaking but of course the list has no binding force as has often been stated by Speakers.

Having said that I leave it up to the hon. members concerned and the hon. member for Maisonneuve-Rosemont, whose motion stands for disposition.

Mr. C. E. Rea (Spadina): Mr. Speaker, though the hon. member for Chicoutimi referred to both the Deputy Speaker and the deputy chairman I, of course, can only speak for myself. However, after hearing his remarks I will be very happy to accept his apology.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I certainly do not think any apology is owing to me arising out of the remarks by the hon. member for Chicoutimi, and I am not looking for that. I do think, however, that implicit in his speech was a reflection not only on the deputy chairman but also upon my position as a member of this group and of the house. I think it is worth while pointing out that in that debate from the resolution stage right through, this group had four speakers. I checked the possible time by the length of the speeches, and I think it would come to less than one-twentieth of the debate. The effect of this letter would indicate, of course, that we had taken an inordinate amount of time as some matter of right recognized by you. I believe it should be made clear that on this occasion and on all others our group has no inordinate privilege and does not claim any.

I merely wanted to say I have always had the greatest respect for the deputy chairman, but I can underline the fact that we have had no personal contact of any kind for many months, which would indicate that he was not in any secret agreement with my view.

Termination of Summit Conference

(Translation):

[*Later:*]

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I have heard the explanations and apologies offered by the hon. member for Chicoutimi (Mr. Brassard), which, in the circumstances, are satisfactory. Therefore, by leave of the house, I wish to withdraw the motion I introduced yesterday.

(Text):

Mr. Speaker: I thank the hon. member. Since the motion had not been placed before the house, it is not necessary to obtain the consent of the house for its withdrawal.

MR. PEARSON—PRESS AND RADIO REPORTS OF REMARKS ON SUMMIT CONFERENCE

Hon. L. B. Pearson (Leader of the Opposition): I rise on a question of privilege arising out of a report which appeared in this morning's press, and was carried by the C.B.C. news service, dealing with observations which the hon. member for Assiniboia (Mr. Argue) and I are reported to have made yesterday on the situation in Paris. One paragraph of this report reads:

At the same time, they—

That refers to the two members.

—described as "unnecessary" and "unforgivable" the pre-summit mistakes of the United States inherent in the U-2 spy plane incident.

In the interests of accuracy in such a very important matter I should like to put on record that neither inside nor outside the house have I used that word "unforgivable" in this connection.

EXTERNAL AFFAIRS

SUMMIT CONFERENCE—STATEMENT BY PRIME MINISTER ON TERMINATION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think I should say a word at this time regarding the abrupt termination of the summit meeting in Paris. There was an opportunity for progress and improvement at this meeting which had awakened the hopes of millions of people throughout the world. For reasons of his own, reasons which I think all members of this house regard as totally unjustifiable, Chairman Khrushchev has refused to meet with the other participants. By so doing he ended, before the sessions had properly begun, all hopes of achievement at this conference.

Any cause for complaint which the Soviet leader may have felt had been removed by President Eisenhower's assurances on May 16 that over-flights had been stopped and would not be resumed. The president did this even though there was no indication that the Soviet union was willing to give equal assurances that objectionable activities for which it was responsible would also end.

There have been periods in the past when east-west relations were characterized by sustained acrimony, but recently it had been the expectation of people everywhere in the world that we were moving into a better era where we would solve our problems by reasonable negotiation. I think I express the views of all hon. members of this house when I say that despite the tragic international drama of yesterday and the developments of the last few days, mankind has not been thrown all the way back into the frightening gloom of the cold war.

The NATO council will meet tomorrow. The NATO powers have been working and will continue to work toward the establishment of good relations between east and west as a basis for negotiation and settlement. It remains essential that despite the admitted setbacks of the last few days, efforts to make progress toward peace and security must not be abandoned, for the return to cold war will be as detrimental to east and west, as a relaxation of tensions will be beneficial to both.

There are only two ways in which our differences can be settled. We in the west believe in negotiation. With the collapse of the summit meeting I believe it more imperative than ever that negotiations be continued in Geneva on disarmament and on the suspension of nuclear weapons tests.

These events of the last 48 hours have confirmed the need for the western nations to remain on guard. We are now entering a period of reassessment and re-examination. The roseate hopes of the last few months have certainly been clouded in the last few hours. This is a time, however, for review and reflection, not for provocation or incitement. We should shortly learn the attitude that the Russians will adopt on disarmament, on the nuclear test talks, on Berlin and on the expansion of trade and cultural contacts. When we learn this we will know whether or not future relations will be determined in the same abrupt manner that was displayed by Chairman Khrushchev in Paris.

The restraint and dignity and high sense of purpose with which the western leaders attempted to overcome the difficulties which Mr. Khrushchev had put in the way deserve recognition and support. I want to associate the Canadian government with the views of the three western leaders as expressed in the communique just issued. The words they used were these:

They regret that these discussions, so important for world peace, could not take place. For their part they remain unshaken in their conviction that

all outstanding international questions should be settled not by the use or threat of force but by peaceful means through negotiation. They themselves remain ready to take part in such negotiations at any suitable time in the future.

Speaking again for the Canadian government I wish to say that we are ready to do anything we can appropriately do to further this policy as enunciated by the western leaders.

Finally, however deplorable Mr. Khrushchev's action in Paris, he is mistaken if he thinks he can divide the west by such tactics. On the contrary, his tactics have already served to strengthen the resolve of the western countries to remain united.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, it seems to me that the Prime Minister's statement gives a very realistic view of the situation that confronts the world at this time. On behalf of the official opposition I should like to assure him of our wholehearted support for anything that can be done by our government in the furtherance of this viewpoint. I am sure there is no difference of opinion in the house on that.

There is no point in trying to disguise the fact that the news from Paris has been bad and perhaps is now worse in the light of the nature and content of the press conference given this morning by the leader of the Soviet union. However, this is no time for panic, any more than it is a time for yielding to the temptation to give up in the search for peace. It is also no time to weaken the unity of all peace-loving nations in that search, as the Prime Minister has so well pointed out.

I think, Mr. Speaker, that it was important to make every effort to save the conference in Paris, and also to make it quite clear where the responsibility for the failure of that conference lies. I believe the western leaders have done that. But it is equally important, as the Prime Minister has pointed out, for the west to make sure, in so far as the western countries can make sure, that the break-up of the conference does not mean the break-down of this effort to solve international problems and secure the peace.

Perhaps we of the western countries can draw some necessary conclusions from the failure of this conference. One must be as to the dangers and the disabilities of diplomacy at the summit in the circumstances in which we find ourselves today, and the desirability of conducting diplomatic negotiations, whenever and wherever possible, under the auspices of the United Nations. So it seems to me, Mr. Speaker, at this time more than ever, that firmness and patience; wise, and carefully considered actions and words are required.

The Prime Minister has mentioned a meeting of the NATO council, I think he said tomorrow, and I think that is a good development. Perhaps the government has already given consideration to the desirability of a minister being in Paris, if that is possible, in view of the fact that the foreign ministers of three western countries presumably will be attending that meeting.

In any event, whatever the government does on this, they can be assured of the wholehearted support of the opposition in any move they may make to ease the situation and strengthen our chances for peace.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, we in the C.C.F. group were impressed by the restraint, constructive tone and content of the Prime Minister's statement. We agree with the general tenor of his remarks, and he can be assured, as Prime Minister of this country, that he will have the full support of the C.C.F. party in any efforts made by Canada in the important work toward peace that lies ahead.

It was exceedingly regrettable to see the summit conference disintegrate. We have expressed, on previous occasions, our criticism of the U-2 spy plane incident. We feel that was a mistake. But even with that mistake having been made, this was no excuse for Premier Khrushchev to torpedo the peaceful hopes of tens of millions of people in the world. We are impressed by and appreciative of the continuing good work which has been done by Prime Minister Macmillan in attempting to bring the heads of governments together, and by his attempt to salvage something before the conference disintegrated.

I noticed the Prime Minister's statement that the NATO powers will be meeting tomorrow to discuss this situation. I would hope the NATO powers would resist any temptation to mimic the bluster and threat of the Soviet leader. This is no time, in our opinion, for the rattling of swords or for the taking of a threatening posture. This is the time for the NATO powers to show unity, yes, and a fervent desire for peace and an amicable settlement. We hope the Geneva conference discussions will continue, and that from this conference may be salvaged some type of agreement.

No matter what the antics of the various leaders of the world, we are convinced that the peoples of the world want peace, whether those peoples live in the Soviet union, in the United States or in any other nation of

the world. And mankind will judge the leaders of all nations on the basis of their integrity, their sincerity and their willingness to compromise in the interests of peace. We hope that even with these disastrous climaxes to the summit conference steps will be taken in the near future to improve trade relations, to go forward with cultural exchanges and to continue—yes, if possible on an increasing scale—the interchange of visits between peoples of all the nations of the world.

At this time we are hopeful that the United Nations may be able to take action that will strengthen the cause of peace, whether this action be through a meeting of the United Nations security council or a meeting of the general assembly. No matter with which party one sits in the Canadian House of Commons, I think all of us are determined to do our best as we see it in the interests of peace, coexistence, mutual understanding and the preservation of the ideals that we hold so dear.

In conclusion, Mr. Speaker, I reiterate that the Canadian government in every effort it puts forward, whether it be by the Prime Minister (Mr. Diefenbaker), the Secretary of State for External Affairs (Mr. Green) or any other representative, will have the complete and wholehearted support of the C.C.F. while we are convinced that these efforts are being directed toward the firmer establishment of peace in the world.

COMMUNICATIONS

ANNOUNCEMENT OF ESTABLISHMENT OF EMERGENCY CONTROL ORGANIZATION

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the government has had under consideration for some time the problem of arranging for effectual governmental control of the national telecommunications systems under nuclear war conditions. The conclusion has now been reached that if the government as a whole, its various agencies and private users with essential wartime functions, are to make the best use of the telecommunications services available after a nuclear attack, it is necessary to develop an emergency organization which would exist in nucleus form in peacetime as a planning agency, and in emergency would function as the executive agency of government in controlling and administering the national communications systems including radio and television broadcasting.

The organization is to be known as the emergency national telecommunications organization, or ENTO. It will be developed within the Department of Transport and be under the control of the Minister of Transport in whom, by virtue of the Radio Act, the Telegraph Act, the Railway Act and the Canada Shipping Act, extensive authority over telecommunications in Canada is already vested.

In the discharge of its responsibility ENTO will be advised by a committee of senior representatives of other government departments having a major interest in telecommunications. Advice from commercial telecommunication agencies will also be sought.

STARRED QUESTIONS

POTATO TRANSPORTATION SUBSIDY—P.E.I.-NFLD.

Question No. 144—**Mr. Batten:**

What was the total subsidy paid by the government of Canada through the maritimes transportation commission for the transportation of potatoes from Prince Edward Island to Newfoundland for each of the years 1957, 1958, 1959?

He said: Mr. Speaker, from discussions dealing with this question it appears that the information requested is not easily obtainable. I would therefore respectfully request Your Honour's permission to withdraw this question and present it later in a form in which it can be more readily answered.

Mr. Speaker: Has the hon. member leave to withdraw question No. 144?

Some hon. Members: Agreed.

Order discharged and question withdrawn.

ADMITTANCE OF IMMIGRANTS BY ORDER IN COUNCIL

Question No. 151—**Mr. Howard:**

1. How many persons, if any, falling within the prohibited classes referred to in regulation 20 made pursuant to section 61 of the Immigration Act have been admitted into Canada by special order-in-council during 1956, 1957, 1958, 1959 respectively?

2. How many persons, if any, shown as of Russian ethnic origin but born in Asia have been admitted to Canada since 1945, and by virtue of what statute or authority was each so admitted?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answer to part 1 is: By the authority of the governor in council exceptions may be made to any of the immigration relations. Separate statistics are not maintained for the number of exceptions to any one regulation.

The answer to part 2 is: Statistics of immigrants by country of birth in relation to ethnic origin are not available.

IRENE REBRIN—POSSESSION OF FEDERAL FILES

Question No. 152—**Mr. Howard:**

1. Was any person in the (a) Department of Citizenship and Immigration; (b) the Department of Justice, in possession of a file on Irene Rebrin between March 18, 1960 and March 21, 1960 inclusive?

2. If so, what is the name of each such person, and the date upon which he had such a file in his possession?

3. Has any such person since resigned from his employment? If so, who and for what reason?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am answering this question on behalf of the Minister of Citizenship and Immigration (Mrs. Fairclough) as well as myself.

The answer to part 1 is: Between the above mentioned dates there were several files on Miss Irene Rebrin in the Department of Citizenship and Immigration; there was no file on this person in the Department of Justice. However, the Royal Canadian Mounted Police had a file on Miss Rebrin.

It is considered that it would be contrary to established principles to give the names of departmental personnel who have handled particular cases on particular dates. I know of no instance in the past where such information has been made available. Even if it were possible to trace precisely the routings of a particular active file, I do not consider it would be in the public interest to contravene this principle.

Part 2 of the question is therefore answered by the answer to part 1.

With respect to part 3, while the answer to this part of the question is made subject to the answer given to part 1, it may be stated categorically for the information of the hon. member and the house, that whatever resignations may have occurred have taken place for reasons unconnected with the Irene Rebrin case.

SECURITY RISK INFORMATION

Question No. 153—**Mr. Howard:**

1. When a person is classified as a "security risk" by (a) the Department of Citizenship and Immigration; (b) the Department of Justice, is such a classification established on the basis of information specifying the nature and substance of the allegation?

2. Does the information upon which a person is classified as a "security risk" come from sources outside the (a) Department of Citizenship and Immigration (b) Department of Justice? If so, from where?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am answering this question also on behalf of the Minister of Citizenship and Immigration and myself.

The answer to part 1 is: Where a problem arises in which security considerations are relevant, all available information is obtained from the appropriate security advisers and a decision as to the action to be taken in the particular case is made by the departments concerned on the basis of that information.

The answer to part 2 is: Information on security questions is obtained from sources outside the departments of citizenship and immigration and justice. The Royal Canadian Mounted Police is the body responsible for gathering and providing such information.

DUTY FREE SHOPS, BORDER CITIES

Question No. 154—**Mr. Martin (Essex East):**

1. Has the government received representations from any chamber of commerce or businessmen's association objecting to the establishment of duty free shops in border cities?

2. If so, from whom have representations been received?

3. What were the nature of the representations, and what was the nature of any reply?

Hon. Leon Balcer (Solicitor General): Mr. Speaker, I wonder if the hon. member would let this question stand, as all the information needed to answer this question has not been received.

Mr. Martin (Essex East): Agreed.

Mr. Speaker: Stand.

Question stands.

YVES VIEN, C.B.C.

Question No. 155—**Mr. Pigeon:**

1. Is Mr. Yves Vien employed by the Canadian Broadcasting Corporation?

2. If so, for how many years has he been so employed?

3. By whom was he recommended?

4. What position does he hold?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): This is a four part question and the answers are as follows.

1. Yes.

2. Seven years, since April 10, 1953.

3. He applied for employment as a program administrative officer through normal channels, supplying names of three character references, namely Rev. Pere Emile Legault, Westmount, Montreal; Brigadier W. J. Lawson, national defence headquarters, Ottawa; Major General J. P. E. Bernatchez, Montreal.

4. Director of television operations, Montreal, after a term as assistant director of television operations, Montreal.

GEORGIAN BAY AIRCRAFT LTD.

Question No. 156—**Mr. Chevrier:**

1. Since Georgian Bay Aircraft Limited has been licensed to operate a class 4 charter commercial air service (with group C aircraft) on May 21, 1959 and to operate a class 4 charter commercial air service (with group B aircraft) on December 21, 1959, in all its bases, have there been any complaints of illegal operation?

2. If so, by whom?

3. Has an investigation been made of these complaints?

4. With what result?

5. What action has been taken?

Starred Questions

Hon. George H. Hees (Minister of Transport): Mr. Speaker, in reply to parts 1 and 2, there have been a number of complaints of illegal operations filed with the air transport board by Austin Airways Limited.

In reply to parts 3, 4 and 5, the board conducted an investigation in each case, and finding infractions had been committed sent letters of warning to Georgian Bay Airways Limited.

Question No. 157—**Mr. Chevrier:**

1. Have any complaints been lodged against Georgian Bay Aircraft Limited?
2. If so, what was the nature of the complaints?
3. Was an investigation made into these complaints and by whom?
4. What was the result of the investigation?
5. Has any action been taken on the complaints?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, in reply to parts 1 and 2, Austin Airways Limited in June, 1959, protested against certain charges provided for in the filed tariff of Georgian Bay Airways Limited as being unfair and unjust.

With respect to parts 3, 4 and 5, the matter was investigated by the air transport board, the rates per mile and per hour and the minimum charges per flight were considered to be out of line with those of other carriers in the area, and as a result Georgian Bay Airways Limited revised its charter tariff by making adjustments.

AVIATION COMPANY BANKRUPTCIES, SERVICE SUSPENSIONS, ETC.

Question No. 158—**Mr. Chevrier:**

1. Since the new policy was announced by the Minister of Transport to decontrol group C on July 18, 1958, and later to decontrol group B on December 21, 1958, have any such aviation companies gone into bankruptcy? If so, how many?
2. How many have applied for a suspension of services?
3. Why were such companies not in a position to operate such services?
4. How many companies have applied for cancellation of permit?
5. How many permits have been cancelled by the air transport board?

Hon. George H. Hees (Minister of Transport): With respect to part 1, it is known that six aviation companies have gone into bankruptcy since July 18, 1958. Of these, all but one were licensed prior to the coming into effect of the government's new policy.

In regard to part 2, 38 have applied for suspension of services.

In reply to part 3, 26 of these were unable to carry out their proposals; four were not in a position to operate such services because of reorganization; four because of technical problems; two due to bankruptcy; and two others gave no detailed reasons.

With respect to part 4 the answer is 15.

With respect to part 5 the answer is 15.

DEFENCE PRODUCTION—PURCHASE OF PHARMACEUTICAL NILEVAR

Starred question No. 9—Correction of answer given on February 3.

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, on a question of privilege, I would like to make a correction to an answer I made to the hon. member for Skeena (Mr. Howard) on February 3, 1960. At that time I answered that we had not purchased any drug known as nilevar.

Having gone through the very extensive list of drugs and contracts, I now wish to correct the statement I made on that date. The hon. member's question read as follows:

1. Since January 1, 1958, has the Department of Defence Production purchased a pharmaceutical known as nilevar?
2. If so, what was (a) the date of each purchase; (b) the unit or units by which the pharmaceutical was purchased; (c) the purchase price for such unit or units; (d) the name and address of the supplier?

The answer to the first question should be yes.

The answer to the second part of the question reads as follows:

(a)	(b)	(c)	(d)
Date of Purchase	Unit of Purchase	Unit Price	Name and Address of Supplier
April 10, 1958	bottles of 50 tablets, 10 mgm.	$15.70 per bottle	G. D. Searle & Co. of Canada Limited, Brampton, Ont.
December 15, 1959	bottles of 50 tablets, 10 mgm.	$12.20 per bottle	G. D. Searle & Co. of Canada Limited, Brampton, Ont.

QUESTION PASSED AS ORDER FOR RETURN

HARBER MANUFACTURING LTD., FORT ERIE

Question No. 371—**Mr. Argue:**

1. Does Harber Manufacturing Limited, Fort Erie, Ontario, hold any government contracts for the manufacture of aluminium articles?
2. If so: (a) what are the terms of this (these) contract(s)? (b) have these terms been met?
3. If not, for what reason?
4. If the contract exists did the company recently secure a delay in shipping of articles manufactured under the contract?
5. If so, (a) when; (b) why was this delay granted?

MOTIONS FOR PAPERS

PREVAILING RATES EMPLOYEES

Motion No. 100—**Mr. Martin (Essex East):**

For a copy of the regulations of treasury board governing prevailing rates employees.

Hon. Donald M. Fleming (Minister of Finance): The regulations of the treasury board in this respect were consolidated and are already a matter of public record. They appeared in the *Canada Gazette* of January 13, 1960. However, there was a recent amendment which may not yet have been published in the *Gazette*, and I will be pleased to table it.

Motion agreed to.

FEASIBILITY STUDY, P.E.I.-N.B. CAUSEWAY

Motion No. 107—**Mr. Pickersgill:**

For a copy of the current feasibility study of the proposed causeway between Prince Edward Island and the New Brunswick mainland.

Hon. D. J. Walker (Minister of Public Works): Stand.

Mr. Speaker: Is the hon. member content that this motion stand?

Hon. J. W. Pickersgill (Bonavista-Twillingate): No, sir. The minister is no doubt aware that in the Charlottetown *Guardian* of a day or two ago it was announced—

Mr. Speaker: Order. The motion is not debatable. If the hon. member is not willing that it should stand—

Mr. Pickersgill: In that case I feel I must press my motion, because this information is being given in another place.

The house divided on the motion (Mr. Pickersgill) which was negatived on the following division:

YEAS

Messrs:

Argue
Badanai
Batten
Benidickson
Boivin
Boulanger
Bourget
Bourque
Caron
Carter
Crestohl
Denis
Deschatelets
Dumas
Dupuis
Eudes
Fisher
Forgie
Garland
Granger
Habel
Hellyer
Herridge
Leduc
Loiselle
Macnaughton
McMillan
Martin (Essex East)
Martin (Timmins)
Mitchell
Nixon
Pearson
Peters
Pickersgill
Racine
Ratelle
Regier
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Tucker
Winch—42.

NAYS

Messrs:

Aitken, Miss
Allmark
Anderson
Asselin
Balcer
Baldwin
Barrington
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Best
Bigg
Bissonnette
Bourbonnais
Bourdages
Brassard (Chicoutimi)
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Campbell (Lambton-Kent)
Cardiff
Cathers
Chambers
Charlton
Chown
Churchill
Clancy
Comtois
Cooper
Creaghan
Crouse
Danforth
Diefenbaker
Dinsdale
Doucett
Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Forbes
Fraser
Frechette
Fulton
Grafftey
Green
Grenier
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hanbidge
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Howe
Johnson
Jones
Jung
Kindt
Knowles
Kucherepa
Lahaye
Lambert
Lennard
Letourneau
Macdonnell
MacEwan
MacLean (Queens)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGrath
McGregor
McIntosh
McLennan
McPhillips
McQuillan
Mandziuk
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
Morissette
Morton
Murphy
Nesbitt
Noble
Nugent
O'Hurley
Parizeau
Pascoe
Paul
Payne

Pearkes	Stanton
Phillips	Starr
Pigeon	Stearns
Pugh	Stinson
Rapp	Tassé
Regnier	Taylor
Ricard	Thomas
Richard (Kamouraska)	Thompson
Robinson	Thrasher
Rogers	Tremblay
Rompre	Villeneuve
Simpson	Vivian
Skoreyko	Walker
Smith (Calgary South)	Webb
Smith (Simcoe North)	Weichel
Smith (Winnipeg North)	Winkler
Southam	Wratten—146.
Spencer	

Mr. Speaker: I declare the motion lost.

EXTERNAL AFFAIRS

NATO—CANADIAN REPRESENTATION AT PARIS MEETING ON MAY 19

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I inquire of the Prime Minister what the government's intentions are in regard to Canadian representation on the NATO council meeting tomorrow in Paris.

Right Hon. J. G. Diefenbaker (Prime Minister): Tomorrow the foreign ministers of the United Kingdom, the United States and France give a report of the proceedings to the NATO council. I think there will be two other foreign ministers present as well. Canada will be represented by Mr. Leger. If it is found that it might be beneficial to have a representative of the cabinet there, in the event of discussion continuing beyond tomorrow, then consideration will be given to appointing someone to represent the government because of the fact that the Secretary of State for External Affairs (Mr. Green) has other appointments which he cannot break at this time.

The probability is that within three weeks there will be a meeting in Paris of the foreign ministers of the NATO countries. In that event, of course, Canada will be represented.

In any event, as I have already said, if in consequence of developments tomorrow or the day after it becomes of importance that there should be additional representation to that provided by Mr. Leger, consideration will be given thereto.

INQUIRY AS TO VISIT BY U.K. DEFENCE MINISTER

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of National Defence a question arising out of a report in a New York paper this morning under a London dateline to the effect that the minister of defence of the United Kingdom would be visiting Ottawa in a few days? Will the minister confirm this report?

Hon. G. R. Pearkes (Minister of National Defence): Yes, Mr. Speaker. The Right Hon. Harold Watkinson has been invited to visit Canada on his way to the United States, and he will be in Ottawa on the 28th of this month, I believe.

LABOUR CONDITIONS

ALGOMA—REQUEST FOR PROHIBITION OF SALE OF STANROCK URANIUM CONTRACT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the minister received a telegram from the united steel workers of America, Algoma uranium area, stating that Rio Tinto is endeavouring to eliminate all other producers of uranium, and thus control the Canadian output, by the purchase of unexpired uranium contracts?

Will the minister comment on the request that the jobs of employees of the Stanrock company be protected by prohibiting the sale of Stanrock's uranium contract?

Hon. Gordon Churchill (Minister of Trade and Commerce): I have received the telegram, Mr. Speaker. No decision has been reached yet with regard to the Stanrock mine. I am awaiting a report from the board of directors of Eldorado.

OIL

ARCTIC DEVELOPMENT PROGRAM—REPORTED WITHDRAWAL OF U.S. CAPITAL

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. According to a New York publication, United States capital is pulling out of Canada's Arctic oil development program because of new tax regulations imposed by the Canadian government. Is the minister in a position to say whether or not United States companies are withdrawing their financial support of Arctic oil exploration?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): No, Mr. Speaker, the minister is not in a position to say. The deadline for the taking up of applications for permits in the north does not expire until next month.

PUBLIC WORKS

PRINCE EDWARD ISLAND CAUSEWAY—REQUEST FOR PROGRESS REPORT

On the orders of the day:

Mr. O. H. Phillips (Prince): I have a question I should like to direct to the Minister of Public Works. Is the minister in a position to give a progress report on the proposed Prince Edward Island causeway situation?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I want to thank the hon. member for directing this question to me, along with preceding questions. While I regret exceedingly that it was not possible to give a reply to the hon. member for Bonavista-Twillingate as to the feasibility or otherwise of the causeway, because it is impossible to do that—we have no such report—nevertheless I am very happy to accept the question of the hon. member for Prince as notice and to give at least, as I have done before in this house, a progress report as to the steps being taken up to the present time and what we anticipate taking in the future in regard to consideration of this whole possible causeway project.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the minister a supplementary question. Can he say whether his attention has been drawn to a dispatch in the Charlottetown *Guardian* for May 12, 1960, in which there is a report that the Minister of Fisheries (Mr. MacLean) announced that Major General Young, who I presume is the minister's deputy, will give a report—and I quote these words—

—on the current feasibility study of the proposed causeway between Prince Edward Island and the New Brunswick mainland.

That was the precise subject of my motion.

Mr. Pearson: Not feasible in this house.

An hon. Member: Rights of parliament.

Mr. Walker: I can assure you there will be no statement of government policy made in Prince Edward Island by Major General Young which is not first made in this house. Apparently my friend is under some misapprehension. He asked for a report as to the feasibility of this project. There is no such thing as a report. When the project is found to be feasible or not feasible a report will be made to the house.

Mr. Benidickson: By you or by Major General Young?

Mr. Walker: In the meantime—if my friend will content himself, which I know it is difficult for him to do—

Mr. Pearson: It is difficult for you to get out of this one.

Mr. Walker: —we will be very happy to give a progress report just as soon as possible. I believe we have already given two, because I know that this matter is of great interest to anyone from the maritimes.

Mr. Pickersgill: A further supplementary question. May I ask the minister whether it is true that the deputy minister is giving a report in Charlottetown tomorrow on the current feasibility study of the proposed causeway between Prince Edward Island and the New Brunswick mainland, as announced in the press?

Mr. Walker: It is true that the deputy minister of public works is giving in Charlottetown tomorrow, to the assembled chambers of commerce of the island, a study report as to what has been done in connection with the causeway and as to the further work that will be done in the future in the matter of research.

Mr. W. H. McMillan (Welland): Mr. Speaker, I wish to ask a supplementary question of the Minister of Public Works. If, as he has said, there was no report, why did he not say so instead of having a vote of the house?

Mr. Walker: Mr. Speaker, the distinguished member for Welland cannot have been following the debate between the hon. member for Bonavista-Twillingate and myself. When the house was considering his order for return with respect to the feasibility report—

Mr. Pickersgill: Motion, not starred question.

Mr. Walker: —I could do nothing but ask that it stand, and the matter was not open for debate.

PUBLIC SERVICE

HOUSE OF COMMONS—EXTENSION OF SALARY INCREASES TO STAFF

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, since the Minister of Finance has recently had the opportunity to enjoy the invigorating and salubrious climate of British Columbia, I wish to ask him a question. As the minister is one of the commissioners of internal economy, has he any further information to give the house with respect to increases in salary for stenographic and other staff of the House of Commons?

Inquiries of the Ministry

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, with your permission perhaps I might say that question is under examination by the commissioners of internal economy.

REQUEST THAT RECENT INCREASES BE MADE RETROACTIVE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Finance arising out of a statement in the Ottawa *Citizen* of Monday, May 16, in which Fred W. Whitehouse of the civil service federation of Canada is reported as stating that the setting of May 1 as the date for the latest salary increases was a completely arbitrary action, and that government policy on salaries has created—

Mr. Speaker: Order. The hon. member is proceeding to present a point of view rather than ask a question. If he wishes to ask a question about the matter, which is one of current interest, he may do so.

Mr. Argue: On the point of order, Mr. Speaker, I may say I did not wish to discriminate between the presidents of the two civil service organizations, and I had a quotation from Mr. Cal Best which I will not use.

My question of the Minister of Finance is, has the government given any consideration to making the latest civil service salary increases retroactive to April 1, and thus removing this anomaly?

Hon. Donald M. Fleming (Minister of Finance): The increases to which the hon. gentleman has referred were made effective from April 1. This was the announcement, and it was done with the approval of the government.

[*Later:*]

Mr. Fleming (Eglinton): The hon. member for Assiniboia's question was not put to me in the same form as the notice which he gave me. I have not seen the newspaper articles to which he has referred, having been absent the past several days. If his reference is not to the group that was announced earlier but to the cleaners, elevator operators and persons in that category, the latter increase was made effective May 1.

Mr. Argue: That was my question. I was floored by the minister's reply, but I took it he knew the facts so I had no comment to make. Then I ask the question again. Will the government give consideration to making those increases which were effective May 1 retroactive to April 1, as I take it has been requested by the civil service organizations?

[Mr. Herridge.]

Mr. Fleming (Eglinton): It was a matter of decision that the increases for that particular group should be made effective May 1. As I indicated in the earlier statement on this subject, as the civil service commission and treasury board have an opportunity to complete their studies of the various categories and classifications, those increases will be brought into effect at what is considered, in each case, the appropriate time.

Mr. Argue: I think you are making a mistake.

NATIONAL DEFENCE

STATUS OF ORDER IN COUNCIL P.C. 4365, RESPECTING ACTIVE SERVICE

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, may I ask the Minister of National Defence whether he has had an opportunity to get a legal interpretation of P.C. 4365, dealing with the Canadian forces, from the point of view of whether, with reference to the restoration of peace in the Republic of Korea, the order in council is still in effect or has been repealed.

Hon. G. R. Pearkes (Minister of National Defence): Yes, Mr. Speaker. Order in council P.C. 4365 of September 9, 1950, placed on active service all components of the Canadian navy, army and air force described in the National Defence Act as being regular forces. That order in council has not been repealed, and the regular forces of this country are still on active service. I have obtained a legal opinion on this matter, and it is confirmed that by virtue of this order in council the regular forces are still on active service.

Hon. Paul Hellyer (Trinity): A supplementary question. I believe this order in council was passed at the time of the Korean conflict. Would it not be appropriate now to supersede it with a new order in council so that members of the armed forces in Quebec would not be disenfranchised?

Mr. Pearkes: It is not considered necessary to have it replaced by another order in council. It is still in effect; and as there are large numbers of Canadian forces in different parts of the world it is considered advisable for that and other reasons to keep them on active service.

FLOODS

TIMMINS, ONT.—REQUEST FOR FEDERAL FINANCIAL ASSISTANCE

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to direct a question to the Prime

Minister. Can the Prime Minister inform the house whether a request has been received from the Ontario provincial government for financial assistance in the rehabilitation of the victims of the Mount Joy flood? If so, will the Prime Minister advise the house whether any government decision has been reached in this regard?

Right Hon. J. G. Diefenbaker (Prime Minister): I will have to take the question as notice.

FOLEYET, ONT.—SUGGESTED CONSTRUCTION OF BRIDGES BY ARMY ENGINEERS

On the orders of the day:

Mr. M. W. Martin (Timmins): I should like to direct a question to the Minister of National Defence. In view of the fact that the town of Foleyet has been completely isolated, and in view of the serious danger to health in that community, can the minister say whether it will be possible to get assistance from army engineers to instal Bailey bridges in order to repair the road link between Timmins and Foleyet as quickly as possible?

Hon. G. R. Pearkes (Minister of National Defence): Before any assistance can be given it is necessary for application to be made through the provincial government. No such application has yet been made.

Hon. L. B. Pearson (Leader of the Opposition): Is the Prime Minister in a position now to deal with the question I asked the other day with respect to assistance for the people of Foleyet and vicinity?

Right Hon. J. G. Diefenbaker (Prime Minister): I do not think there is anything I can add to what I said on that occasion.

UNEMPLOYMENT INSURANCE

INSTRUCTIONS RESPECTING RELEASE OF FIGURES TO MEMBERS OF PARLIAMENT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Labour. Can the minister inform the house whether instructions have been issued to the unemployment insurance commission not to divulge to members of parliament unemployment figures available from local or regional offices in their respective areas?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I know of no such directive having been issued by the national employment service, but I will be glad to check into the matter to see whether there is any substance to what the hon. member says.

Inquiries of the Ministry

Hon. Paul Martin (Essex East): May I ask a supplementary question. Has the Minister of Labour given any instructions to the unemployment insurance commission or to any government servant that members of parliament are not to be supplied with information that it has always been regarded as a right of the representatives of the people to have?

Mr. Starr: On the contrary, I have relaxed the practice that had been in force under the previous government.

(Translation):

TRADE AND COMMERCE

SMALL BUSINESS BRANCH—INQUIRY TO BILINGUAL EMPLOYEES

On the orders of the day:

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I should like to put a question to the Minister of Trade and Commerce (Mr. Churchill). Is the minister aware that, in the small business branch, not a single employee can speak or understand French? If such is the case, is the minister considering any action to improve this situation?

(Text):

Hon. Gordon Churchill (Minister of Trade and Commerce): I will look into the matter immediately, Mr. Speaker.

HOUSING

INQUIRY AS TO NUMBER OF STARTS DURING APRIL, 1960

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Public Works. Will the minister inform the house as to the number of housing starts made during April in areas of 5,000 population and over?

Some hon. Members: Order paper.

Mr. Speaker: Did the hon. member give notice of his question?

Mr. Garland: Yes, I did.

Mr. Speaker: It should properly go on the order paper, being a question asking for statistical information, but if the minister has the information I do not wish to prevent him giving it.

Mr. Benidickson: He is here today.

Hon. D. J. Walker (Minister of Public Works): I would be glad to answer the hon. member for Nipissing. In municipalities of 5,000 population and over starts up to the end of April, 1960 numbered 13,942, and starts up to the end of April, 1959 numbered

22,764. Members of the house will be glad to learn that completions for the same period, from January 1 to the end of April, 1960, amounted to 29,101 this year and 27,434 in the same period last year.

Mr. Garland: I thank the minister for the information. If I heard him correctly, this represents a drop in housing starts of about 41 per cent. I wonder whether the minister would care to comment on an item that appeared in the Montreal *Gazette* of May 16, indicating that the federal government is said to be scouting the possibility of raising new funds for housing without approaching the market directly.

Mr. Walker: I have not read the Montreal *Gazette*, although I hope to some time.

Mr. Garland: I will be glad to supply it.

AGRICULTURE

DEFICIENCY PAYMENTS—REQUEST FOR OPPORTUNITY TO PRESENT ALTERNATIVE PROPOSAL

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Agriculture whether, now that the Prime Minister is back, he has found it possible to answer the representations made to him by western farmers for a conference with the government with regard to an alternative proposal to meet their particular situation?

Hon. D. S. Harkness (Minister of Agriculture): I think the hon. member should address his question to the Prime Minister rather than to me.

Mr. Martin (Essex East): Would the Minister of Agriculture not consider looking over toward the Prime Minister to see that I get some kind of reply from someone?

[*Later:*]

Mr. Martin (Essex East): In view of the importance of this matter I wonder whether, since the Prime Minister's return, he has had an opportunity of conferring with his colleagues to fix a date for the delegation from western Canada that wishes to discuss with the government a proposal in the alternative, in view of the fact that the request for deficiency payments was turned down by the government. I am sure the Prime Minister will recognize that this question has to be settled very soon.

Right Hon. J. G. Diefenbaker (Prime Minister): I can understand the interest of the hon. gentleman, since he has become the agriculture expert and is particularly interested in western agriculture problems. However, I would say, speaking seriously, that this matter is under consideration.

[Mr. Walker.]

Mr. Samuel Boulanger (Drummond-Arthabaska): Would the Prime Minister be able to give the answer before June 8, 1960?

Mr. Diefenbaker: I have no idea what that date has to do with this question. As usual, political considerations are felt only on the other side of the house.

INQUIRIES FOR RETURNS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the minister of northern affairs whether he could inquire to see if it would be possible to bring down returns to order No. 11 of February 2, 1959; order No. 15 of February 2, 1959 and order No. 101 of April 15, 1959, because there are several hon. members who would like to have that information.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I shall be glad to see what I can do to hurry them along.

Mr. Pickersgill: I wonder if I could direct a similar question to the Minister of Public Works. Will he see that returns are made to order No. 122 and order No. 123 of May 11, 1959?

Hon. D. J. Walker (Minister of Public Works): I shall be happy to look into that matter.

PARLIAMENT HILL

REQUEST FOR STATEMENT ON WORK IN FRONT OF BUILDING

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Can the Minister of Public Works give any information to the house concerning the unusual disturbance which is taking place along the east side of the west block, extending from Wellington street to the parliament buildings?

Hon. D. J. Walker (Minister of Public Works): Is it a human disturbance or are the statues being desecrated? What are the particulars?

Mr. Robichaud: To be more precise, can the minister tell the house the type of work which is going on from Wellington street to the parliament buildings?

Mr. Walker: I understand they are digging a hole.

Mr. Robichaud: What is the purpose of the digging?

Mr. Walker: To carry gas—natural gas.

Mr. Denis: Is it from Quebec?

Mr. Robichaud: Is this another step in the government's new policy of displacing the use of coal in government-owned buildings?

Hon. Paul Hellyer (Trinity): May I ask a further supplementary question. Can the minister say whether this is for input or output?

ADMINISTRATION OF JUSTICE

JACQUES CARTIER BRIDGE, MONTREAL—INQUIRY AS TO PROSECUTIONS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Justice whether a decision has been taken to proceed with or withdraw the prosecutions of the former toll collectors on the Jacques Cartier bridge who have been served with warrants.

Hon. E. D. Fulton (Minister of Justice): So far as I know, Mr. Speaker, it is still the intention to prosecute. In the light of the decision of the judge in the first preliminary inquiry, however, consideration has to be given to the form of the charges that should be laid.

YUKON ACT

INCREASE IN COUNCIL MEMBERSHIP—CHANGES RESPECTING COURTS, ETC.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources) moved the third reading of Bill No. C-59, to amend the Yukon Act.

Motion agreed to and bill read the third time and passed.

OSHAWA HARBOUR COMMISSIONERS

ESTABLISHMENT OF CORPORATION FOR MANAGEMENT AND DEVELOPMENT OF HARBOUR

The house resumed, from Tuesday, May 17, consideration of the motion of Mr. Hamilton (Qu'Appelle) for the second reading of Bill No. S-5, to incorporate the Oshawa harbour commissioners.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, we were entertained last night with some criticisms of the minister who is bringing in this bill from the hon. member for Laurier (Mr. Chevrier), the gist of which was that the minister and the government had failed properly to present surveys which would work out some kind of schedule for the expansion of ports such as Oshawa in relation to some master plan. We welcome this urge to socialistic planning which has been pushed by the hon. member for Laurier, and on behalf of this group I must express our disappointment at the introductory statement made by the minister.

I thought that if the minister could not, at least the hon. member from Oshawa, the Minister of Labour (Mr. Starr), could have given us a little more general information about the matter. It is very difficult to know what is involved when you come from another part of the country or from a community similar to Oshawa but not in a metropolitan area. If you look at the map you will see that the harbour at Oshawa is a mile and a half from two railway tracks and several miles from the centre of town. It is not a developed harbour according to any impression one gets. There does not seem to be much at the harbour at the present time, although of course this has nothing to do with the capacity for growth.

To develop harbours costs a tremendous amount of money today, as we all know. One wonders why Oshawa wishes to have this commission if it is merely to administer the rather small properties which presently exist in the harbour. Surely in the community there is some master plan or vision of what they want to achieve. We have had no explanation with regard to that, which I would have thought would have been proper at this stage of the bill. It is apparent that Toronto has had tremendous harbour developments. Is it going to need a series of satellite harbours in the area to handle, for example, terminal traffic which would be distributed by buses? Is it the desire or hope that Oshawa harbour should eventually ship products overseas from its wharves? What is involved in terms of expanding Oshawa harbour to serve ocean-going ships which might take the products of the automobile factories abroad?

It seems to me that information like this should be given and put on the record. As it is, one is led to believe from the very brief statement of the minister that there might be a great deal of substance in the charges made by the hon. member for Laurier. I come from an area where the federal government has pumped millions of dollars over a very long time into a harbour and can appreciate what a drain on resources it is. There are a whole host of harbours along the St. Lawrence seaway and up into the great lakes which have had dreams or hopes of development on the seaway. The hon. member for Stormont (Mr. Campbell) is not in the house, but I know from talking to him that Cornwall had such dreams. I know that Port Credit has thought a great deal about its future, as well as other ports up along

Georgian bay and lake Huron which have looked forward very much to such development.

Is this a case where Oshawa has been attracted by the bubble of the seaway, or is it just a very hard little group which has not any great prospect of drawing on large federal funds or even on provincial funds to develop a big harbour which fits into some sort of plan for servicing the metropolitan area of Toronto? I think we deserve this information and should be given it before second reading is over. I know that the Minister of Transport (Mr. Hees), as he has told us, is so busy in other places that he cannot keep a hand on the myriad of detail in his department, but perhaps we could expect some information from the hon. member for Ontario. I would hope, Mr. Speaker, that before consent is given to second reading the hon. minister from Oshawa will be kind enough to enlighten us on the future prospects of this harbour, something which perhaps the Minister of Transport out of courtesy has left for him rather than invade his field as spokesman for the city of Oshawa.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I did mention quite briefly the establishment of a harbour commission when I spoke in the throne speech debate during this session of parliament. I realize I spoke quite briefly and I should probably enlarge now, for the benefit of the hon. member for Port Arthur (Mr. Fisher) in particular, on what the present situation is in respect to the area I represent, what the potentialities might be and what is actually necessary. The hon. member of course realizes that Oshawa is the home of General Motors and it is the motor city of Canada, with all due respect to Windsor. We have a population—

Mr. Martin (Essex East): Mr. Speaker, on a question of privilege, I am sure the hon. member recognizes the mistake involved in that last statement.

Mr. Starr: Mr. Speaker, at the approaches of the city of Oshawa there are large signs stating that Oshawa is the motor city of Canada and this has never been disputed.

Mr. Martin (Essex East): Self-advertising.

Mr. Starr: I am only going by the reputation which has been established in this respect by the great city of Oshawa. It has a population within its own boundaries of over 58,000 people. I do not know how big Port Arthur is as far as population is concerned, but I do not imagine it is much bigger than Oshawa. Industry has gradually saturated the areas west of Toronto and people are looking forward to locating themselves immediately east of the city of Toronto along the double lane highway, highway 401, the railway tracks and the harbour facilities which are available in this locality.

We have had a harbour for many years. It is not a large harbour compared with the ones at Port Arthur or Windsor, but it has been a very good harbour and a very useful one for the transportation of many materials which are produced nearby and for bringing in materials necessary for the livelihood of our community and the surrounding area. The industrial commissioners of the city of Oshawa have laid aside many acres of land running immediately north of the harbour for industrial development. They are planning on putting this forward. At the moment I am advised that a number of industries from outside Canada are particularly interested in locating here providing they have proper harbour facilities. This necessitates additional wharves because this area is on the opposite side of the present harbour facilities. We have had a team of people representing the Department of Public Works and the Department of Transport come and assess the situation. Their reports are very favourable for the future. The location is excellent and as I say industry is inquiring about locating providing we can make these additional facilities available to them.

In order to have good, planned harbour facilities, city of Oshawa officials, the council and others interested, such as the industrial committee and the chamber of commerce, have asked that a commission be established so that they can devote their time to the orderly planning of their harbour for the future. I think it is a very wise and good housekeeping move to do this so that these things can be planned in order to bring about the maximum of good facilities which may be required in the future.

Mr. Fisher: Mr. Speaker, may I ask the minister a question before he sits down. What type of expenditure will be necessary in terms of dredging the harbour approaches to open the harbour to the kind of traffic that has given an indication of its interest in coming in? What is the draught of the present harbour?

Mr. Starr: Mr. Speaker, up until now that has been hard to ascertain. The present harbour has been dredged when required for something over two or three years. This would be something for the harbour commission to ascertain but the information has not been available. An established harbour commission may be able to give these facts and figures to those who are interested in the development of that immediate area.

Mr. W. H. McMillan (Welland): Mr. Speaker, I read this bill as supplied, and I find it follows almost word for word what is contained in Bill No. S-10 setting up a harbour commission in Nanaimo. I have been wondering what principle would be followed, should the bill now under discussion be approved, in deciding whether or not the government should give assistance to the commissioners to provide modern installations and facilities in this particular harbour.

According to this bill, the harbour commission in Oshawa will be an autonomous body. It will have the right to borrow money and, very likely, it will borrow money in order to provide facilities in that port. I recall a bill which was passed in 1957, at which time the government was empowered to lend the Hamilton harbour commission the sum of $4 million at 4⅛ per cent in order that better dockage and port facilities might be provided in the harbour at Hamilton. In addition to that, I believe the minister of public works of that day was authorized to spend $4 million in harbour improvements at Hamilton; there was an expenditure of $8 million of which a loan of only $4 million had to be repaid by the harbour commission.

I am not complaining that Hamilton got this help from the government, but I am asking why similar help is not extended to other harbour commissions. No doubt, because of the assistance given to Hamilton, the Hamilton harbour commission is able to offer a better rate to shippers using that port. I live along the Welland canal and I know that commodities are trucked to Hamilton to be loaded on boats that went through the canal down-bound the day before because the proper loading facilities are not provided at any ports along that waterway.

Mr. Speaker: If I may interrupt the hon. member to point out that the bill before us does not, of course, contain a principle concerning government financing of these boards. It sets up the commission, as the hon. member has properly said, in the same terms as other bills establishing harbour boards, and it would appear to me that what the hon. member is saying now would more properly be said when the estimates of the department, under which funds are made available for harbour commissions, are before us for consideration, particularly as the hon. member has ranged around other harbours besides Oshawa.

I think the hon. member is going beyond the scope of this bill and I blame myself, partly, for the situation which exists because yesterday a somewhat wide debate did take place on a similar subject.

Mr. McMillan: It occurred to me that inasmuch as this government is giving power to the harbour commissions to borrow money we should be able to discuss expenditures of the kind I have in mind. However, I will end by saying that if the government can do it in one case, why can they not do it for Windsor, Oshawa and other ports including those along the Welland canal?

Mr. Martin (Essex East): Mr. Speaker, I should possibly have risen on the point of order before the hon. member for Welland completed his argument, but I do submit to you that your decision, if it is one already taken, or if it is one to be taken, ought to be related to the following situation. We have already had a debate on this matter on this particular bill—a debate which was not interrupted—and it would seem to me that whatever decision was taken on the bill which preceded this—a decision with which, as I said, I was not in agreement last evening —certainly in this particular instance there can be no reason, I submit with confidence, why there should be any limitation of the sort suggested. We are now being asked to approve a bill providing that a harbour commission be set up in Oshawa. We are surely not to be precluded from considering whether or not that commission would be able to do its work. If the hon. member suggests that a local harbour commission should be treated equitably with other harbour commissions, if he suggests that the harbour commission could not do its work properly in the absence of assistance from the federal government, that, surely, is a very germane argument. We listened last night to a discussion on this very point in which the Minister of Transport (Mr. Hees) took part, and I say that though we may, of course, discuss this question on the estimates there is every reason, tactically and otherwise, why we should be able to discuss it on this particular bill. I submit with respect that the hon. member for Welland was in order, as other hon. members would be in order, in pursuing this particular line.

Mr. Speaker: I am prepared to accept the argument of the hon. member for Essex East that it would be in order in discussing this bill to indicate, for example, that the proposed commission would not be viable because it did not have sufficient funds. However, I felt that the hon. member for Welland was ranging beyond that.

Mr. B. C. Thompson (Northumberland): Mr. Speaker, I believe it is evident from this bill and the one which immediately preceded it that the government is taking an increased interest in those ports which border on the

great lakes and which undoubtedly will be affected by the ever-increasing traffic on the St. Lawrence seaway.

I think it is very fitting and very necessary that this should be the case, and I hope that this increasing interest will also be directed toward the harbours at Cobourg, Colborne and Brighton in my riding which are centrally located on the north shore of lake Ontario and which, I am convinced, will one day be very important as a means of access to that particular area and also to the economy of the country as a whole.

I think that there is merit in what the hon. member for Laurier (Mr. Chevrier) has said about making a survey of all the ports which might be affected by the seaway, but I think it might have been more appropriate and more timely for him not only to have expressed this view but to have implemented it when as minister of transport in the former administration he had the opportunity to do so. I would think that any survey of this kind should have preceded the construction of the seaway rather than succeeded it, and I am sure that the citizens of Brighton, Colborne and Cobourg would take the view that such a survey should have been conducted long ago.

In view of the potential which the harbours located at these three points has to offer, I am sure that both the Minister of Transport (Mr. Hees) and the Minister of Public Works (Mr. Walker) are keeping a close eye on these harbours, as they are keeping a close eye on all matters in their respective departments, and that the interest which the government is taking as evidenced by this bill will also be directed towards these three harbours.

Hon. Paul Martin (Essex East): I should like to take this opportunity to make a few brief observations on this measure, not only with regard to Windsor but to all harbours and commissions.

As I understand it, there are three categories of harbours—those under the national harbour commissions themselves—and this includes, I believe, some 2,300 such harbours; those such as is now being proposed in Oshawa, and that in Windsor, and the ports in Hamilton, Toronto and New Westminster. If what the hon. gentleman has just said is true, and I do not believe it is, that what the hon. member for Laurier (Mr. Chevrier) was arguing, and what I was saying on the Windsor bill only points out that the previous administration should have taken this very step. I do not agree with that but assume for argument's sake that that is the case. Let us address ourselves to the particular situation. Hon. members opposite do not always need to say, "Well, the previous government did not do this or that." That may or may not be the situation. The point is, what can we do right now? The St. Lawrence seaway has been built. It is now a fact. It was formally opened while the present minister was in office. We want to take the fullest advantage of this great achievement in which the Canadian people have great pride and in order to do that, as I said last night, we ought to give to all of the ports on the great lakes equal opportunity for sharing in the achievement of the St. Lawrence seaway.

The port in Toronto, I notice, had an increase of 28 per cent in shipping last year and the port in Montreal enjoyed a 20 per cent increase. Halifax had a record year. These are achievements of which I am sure every Canadian will be proud and particularly the cities involved but what we want to see is other ports in other areas given an equal opportunity.

I can see great possibilities if the federal government will come to the assistance of local boards, giving some financial and other kinds of assistance such as some of the know-how which only the federal department has. There are some limitations in the know-how of some local communities in this work and there are certainly limited funds.

My own city of Windsor is a good example. We have lots of unemployment there. I am sure that if an imaginative approach is taken to this problem what now seems to be a limited opportunity can expand into a great opportunity for that community and in consequence for the country. As was pointed out, the Detroit river presents more river traffic than any other area in the world and if we will apply an imaginative approach to this problem we can see to it that the harbour in Windsor and that in Oshawa become great harbours, just as the harbours in Toronto, Hamilton and New Westminster have become great harbours. This will not happen unless a progressive policy is pursued by everyone in getting business.

In the case of Toronto they have the money now because of their great expansion and were able to send a Mr. Louis W. Byrne to New York where he has established an office for the purpose of drumming up business. I admire this aggressiveness on the part of the Toronto harbour commission and I would like to see the same thing done for my own

city as I am sure the hon. member for Ontario (Mr. Starr) would like to see done for his. It cannot be expected that the mere setting up of a harbour commission in these places can accomplish that without having some help particularly in the beginning.

Financial help has been given to New Westminster and Hamilton as the minister knows. I am sure if the minister will address himself to the great vision of making sure that the achievement of the St. Lawrence seaway is made a reality to all communities where opportunities can be taken in that particular context, the vision I have portrayed will be found to be not an impossible one. I would hope that when the minister replies he would give some indication of his intentions in this regard.

I know that all governments, and properly so, want to be careful about incurring unnecessary expenditure. They want to give as much reliance to local effort as possible. That is commendable but that is not to say there are not situations where assistance from the federal authority to the community is not justified. In this instance I believe there is a strong argument for assistance. This was the view of the committee of 1958 when they made the unanimous recommendation referred to last evening and found at page 150 of the proceedings of that committee:

> The committee recommends for the consideration of the department the establishment of an economic survey to consider the effects of the St. Lawrence seaway project upon all regions of Canada.

I am not talking now about surveys of individual ports. This recommendation goes away beyond that. It calls for a survey to consider the effects of the St. Lawrence seaway project upon all regions. The fact is that has not been done. I do not think it is too strong to say that at the present time there has been no change whatever in the approach taken by the government to the various ports. There has been no thinking, no policy, no action. Nothing at all has been done. I am surprised because the minister who is not by any means without his imperfections is nevertheless a vigorous minister who addresses himself courageously to all matters that come within the compass of his activities. I would hope that the vigour and imagination which we know him to possess would be utilized in meeting this objective and in doing so it would further the purposes of the ports in Oshawa and Windsor—the latter of which interests the hon. member for Essex West (Mr. Spencer) and myself in a special way—and other harbours.

I think there is a broad national interest in this problem. It is one that cannot be satisfied merely by leaving it to situations where we have a harbour commission established by act of parliament and leaving to them the complete development of the port over which they are given jurisdiction. Communities today do not have the means with which to do this by themselves. I will certainly be among those who will insist that local effort should be demonstrated but that does not preclude more than a casual interest on the part of the minister and the Department of Transport. I know the minister will give this matter the consideration which I ask.

Mr. N. L. Spencer (Essex West): Mr. Speaker, I had no intention of taking part in this debate but after listening to the words of my friend the hon. member for Essex East (Mr. Martin) I find that the division of way which I thought might not occur has arrived much sooner than I expected. I agree with the hon. member and with the report of the committee when it is stated that whether or not these commissions are set up at the instigation or request of the local municipalities it would be well to have a survey made of the potentialities of all the harbours along this greater waterway but I do not agree with the hon. member for Essex East that the present government is to be criticized in that respect. I am rather surprised that if the hon. member holds those views he did not express them during the time that he was a member of the previous government and particularly at the time when this project was under construction and the municipalities did not fully realize what would be the potentialities of harbour development as a result of the construction of that waterway.

The things the hon. member said today in so far as they apply to the present government apply equally to the government that was in office prior to 1957.

Mr. Martin (Essex East): Except that there was no parliamentary recommendation at that time.

Mr. Spencer: I think my hon. friend will agree with me that with respect to the city of Windsor and the Windsor harbour commission no study was ever made by the previous government concerning the potentialities of Windsor harbour. Not one cent was spent. Not only that, no money was spent upon the harbour facilities that we then had in the city of Windsor. It has been left to the present government to take on and put in the renovations that are required in order to

take advantage of the very facilities to which the hon. member referred.

This is the only point I wish to make. The things that are now being directed against the present government are the very things that the previous government failed to do.

Mr. Martin (Essex East): Let us think boldly about the future.

Mr. Hees: Try and forget the past.

Hon. J. M. Macdonnell (Greenwood): I have one brief comment to make on the speech of the hon. member for Essex East (Mr. Martin), and it is this. There is a danger in this situation that the municipalities may be led to feel that the bulk of the burden is going to fall on the federal government. I feel very strongly that in our debates here on all these cases it should be made clear there has to be a great deal of initiative shown on the part of the various places which think they are entitled to be made ports. I think if we look at those cities which have grown into substantial ports we shall find that that has been true as far as they are concerned. I hope nothing that takes place in relation to this or any other similar debate will create the public impression that the municipalities can sit back and have an easy time while the federal government will take on the burden.

Mr. Martin (Essex East): I agree fully with that and sought to say that.

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. George H. Hees (Minister of Transport): As we reached ten o'clock last night the hon. member for Laurier (Mr. Chevrier) was speaking, and I regret he is not in the house this afternoon. He knew this debate would be continuing immediately the orders of the day were called today, because it was announced and he was in the house at the time. It must have been obvious to him that I would be answering a number of the statements he made yesterday, and therefore the fact that—

Mr. Martin (Essex East): He could not be here.

Mr. Hees: —he is not in the house is a regret to me, but as the debate must go on and as the quite erroneous statements that he made yesterday must be answered, I have no choice but to refer to him as I answer what he said yesterday.

[Mr. Spencer.]

When he was speaking yesterday, the hon. member for Laurier left the impression with the house that he felt that harbour commissions should not be set up until a full-scale economic study had been made of the whole St. Lawrence seaway and its effect on all parts of Canada. I shall quote what he said in that regard, as reported at page 3989 of *Hansard*, righthand column:

> —an economic survey should be made by the officers of the Department of Transport with reference to the impact which the St. Lawrence seaway would have upon the various regions of Canada.

We should not go ahead, he claimed, with these harbour commissions until such a survey had been made. The government has been very much aware of the desirability of proper economic planning with regard to the development and use of ports in the St. Lawrence and great lakes area, particularly in view of the changes resulting from the construction of the seaway. However, a purely theoretical study, as suggested by the hon. member for Laurier, carried out by planners having little contact with the realities of local situations and having a cosmic or over-all approach which would be so general as to offer no guide to the solution of local problems, did not appear to us to be a reasonable solution to this matter even though it is obviously the sort of thing which the hon. member for Laurier had in mind.

Rather, Mr. Speaker, we felt that the best answer lay in close contact with local organizations and officials in the towns and cities bordering the seaway and great lakes in regard to their local port problems, and a continuing series of visits as and when requested by local officials for this purpose. With this in mind we organized in 1957, after forming the government, a special team composed of marine representatives, technical, engineering and construction personnel and economic staff from the Department of Transport and Department of Public Works for the purpose of visiting those ports and making special studies and reports in each case. This team consisted of the director of marine works, or his representative, from the Department of Transport; the senior economist from the bureau of economic studies of the Department of Transport; the director of economic studies, or his representative, of the Department of Public Works; and the chief of harbours and rivers construction division, or his representative, of the Department of Public Works.

Whenever a request is received from a port town or city we make prompt arrangements

for a visit by this team and in the course of this visit they make not only a study of port conditions and requirements but they also meet with municipal officials, chamber of commerce representatives and the representatives of large local businesses interested in shipping in order to get the most complete and effective advice and information available.

Following this, the team makes a special report on the situation to myself and to the Minister of Public Works (Mr. Walker) and jointly we proceed with our planning in the light of the information contained in the reports. Moreover, because of the great number of places visited by this group, they, together with the officials of my department to whom they report, are in an excellent position to take a sound, over-all view of the whole problem of the great lakes and the St. Lawrence in the light of the comprehensive data which they have gathered on individual points.

I would point out particularly that this visiting team was not organized until October, 1957; that is, it was not organized under the previous government but was organized a few short months after we rescued this country from the late lamented Liberal government in 1957. But in the period since it was organized its work has involved special trips to and reports on the following ports, and I intend to give them because I think they are interesting, Mr. Speaker. I should just like to remind the house at this point that not only did the hon. member for Laurier indicate that the government had done absolutely nothing in this regard but I also jotted down the words of the hon. member for Essex East (Mr. Martin), "The government had no policy; the government had taken no action and nothing whatsoever had been done." These words were uttered in this house about five or ten minutes ago.

These are the ports—29 in all—which have been visited by this team under the direction of the Department of Transport and the Department of Public Works, under the direction of this government, something which was never even dreamed about by the previous government of which the hon. member for Essex East was a member. I intend to give the names of the ports that have been visited during the past two and a half years.

Mr. Martin (Essex East): I am sure we are at cross purposes. Of what my hon. friend is going to say I am aware. The team did come to Windsor. I was referring—and I think the hon. member for Laurier was also—to the recommendations of the committee that an economic survey should be made applying to the whole great lakes area, as a result of the building of the St. Lawrence seaway. That is the point.

Mr. Hees: Mr. Speaker, I have pointed out that we do not believe that a vague, general economic survey serves any useful purpose and that the kind of practical on the spot, harbour by harbour survey is what is most beneficial to the harbours and to the country as a whole, and we will continue to carry on with these. We think it is practical and not just theoretical and good for headlines and speeches only; we think it is good for the harbours of the country.

I want to give the hon. member for Essex East (Mr. Martin) and the hon. member for Laurier a lot of information that otherwise I would not bore the house with, but I want to give them the dates when visits were made to the ports and the dates on which reports were made so that they may have the information for future reference.

Mr. Martin (Essex East): All that the minister is doing now is disagreeing with the recommendation of the committee.

Mr. Fisher: Could the minister not simply table it?

Mr. Hees: No I will not table it after the kind of nonsense I have listened to for the past couple of days. I am going to put it on the record myself.

Mr. Fisher: Mr. Speaker, I raise the question whether information on Belleville has anything to do with Oshawa.

Mr. Hees: Mr. Speaker, this is something that was brought up and dealt with at great length last night by the hon. member for Laurier and today by the hon. member for Essex East. I was accused of doing nothing and I wish to explain what we have done.

Mr. Martin (Essex East): I think the minister should be allowed to defend himself.

Mr. Speaker: While the minister is covering a wider area than the bill, he is replying to a speech made last night in the debate by the hon. member for Laurier and one made today by the hon. member for Essex East and I would not undertake to stop him.

Mr. Hees: This is the list, Mr. Speaker.

Oshawa Harbour Commissioners

Place	Date of Visit	Date of Report
Belleville, Ont.	November 6, 1959	March 25, 1960
Brockville, Ont.	May 12, 1959	May 27, 1959
Chandler, Que.	March 17, 1958	April 17, 1958
Collingwood, Ont.	September 30, 1958	January, 1959
	October 7, 1958	January 27, 1960
Cornwall, Ont.	May 6, 1958	May 23, 1958
Dorion, Que.	May 15, 1959	June 8, 1959
Gaspe, Que.	March 16, 1958	April 18, 1958
Goderich, Ont.	April 28, 1959	June 23, 1959
Grand Manan, N.B.	June 16, 1958	June 27, 1958
Hamilton, Ont.	September 16 and 17, 1959	January 21, 1960
Kingston, Ont.	May 8, 1958	June 26, 1958
	May 11, 1959	May 26, 1959
Fort William and Port Arthur, Ont.	October 21, 1957	November 5, 1957
Magdalen islands, Que.	October 15, 1958	November 25, 1958
Matane, Que.	March 14, 1958	April 16, 1958
Midland, Ont.	February 17, 1958	May 5, 1958
Minas Basin	June 9, 1958	July 3, 1958
Morrisburg, Ont.	May 13, 1959	May 27, 1959
Oshawa, Ont.	February 20, 1958	January 27, 1959
	November 2, 1959	November 25, 1959
Prescott, Ont.	May 13, 1959	June 17, 1959
Rimouski-Pointe au Pere, Que.	March 12, 1958	April 17, 1958
Port Colborne, Ont.	September 17, 1958	September 26, 1958
Riviere du Loup, Que.	March 10, 1958	April 15, 1958
	November 23, 1958	December 31, 1959
Sarnia, Ont.	November 25, 1957	December 12, 1957
Sault Ste. Marie, Ont.	November 19, 1957	December 19, 1957
St. Charles river area	May 31, 1959	July 14, 1959
Sydney, N.S. and area	March 23, 1958	April 11, 1958
Wallaceburg, Ont.	December 3, 1958	March 6, 1959
Whitby, Ont.	February 19, 1958	February 27, 1958
Windsor, Ont.	December, 1957	January 14, 1958
	April 27, 1959	May 7, 1959
	March 14 and 15, 1960	March 21, 1960

Twenty nine harbours were visited and reports were made on each visit but, as I say, the hon. member for Laurier and the hon. member for Essex East claim that nothing has been done in this regard.

Mr. Pickersgill: Would the minister permit a question?

Mr. Hees: Gladly.

Mr. Pickersgill: Would the minister assure the house that all these visits in March of 1958 were exclusively for the purpose of visiting ports and would he tell us who paid for them?

Mr. Hees: They were paid for in exactly the same way as every other visit that has been made and the visits were exclusively for the benefit of the ports concerned, as the hon. member well knows.

Mr. Pickersgill: In March, 1958?

Mr. Hees: Mr. Speaker, any visit and any reports that were made—stop looking around and smiling like a Cheshire cat.

Mr. Fisher: The minister has indicated that there was a minimum of 29 reports by a survey team. First, are we to assume that this is the same survey team and, second, if it is the same survey team can the minister explain how comprehensive, so far as the kind of survey referred to by the hon. member for Laurier is concerned, these reports can be if this crew is turning out so many reports?

Mr. Hees: The officials of my department and of the Department of Public Works are very efficient. They work very fast and very well and have given very good service. If you will speak to people in any of the towns and ports visited I feel sure you will obtain excellent comment about them. I have never heard anything but excellent reports from the ports and towns visited and I think the reports that have been made are excellent. The people we have working for us are first class officials. Perhaps the hon. member cannot understand working quite that fast. These people do.

Moreover, in the lower area of the St. Lawrence, where interest overlaps with that of the national harbours board, the present administration has also made special arrangements to provide for continuing studies and planning in this connection including, for example, the group which I announced previously, and representing not only the harbours board but the Department of Public Works and the seaway authority and which is reviewing the general problems of the whole Montreal port area.

The hon. member for Essex East is particularly interested in the Windsor harbour

and I have a little information for him on that. As he knows, the Windsor harbour commission was set up under the previous government of which he was a member in April, 1957. A special economic survey was made not by the government but by the Windsor junior chamber of commerce in 1956. Thank heaven for the Windsor junior chamber of commerce. They did not have to rely on the government of that day which was doing absolutely nothing. No special government team report or economic investigation was made although the area was visited by a marine official.

The decision to introduce the bill was based primarily upon municipal representations and the chamber of commerce report, which were reviewed at headquarters. There was no mention made of anything that had been done by the member of parliament for Essex East or of help given by the former government. Thank heaven for the Windsor chamber of commerce which pushed this thing. They had to do it without any help from their members of parliament.

Let us contrast this, Mr. Speaker, with what happened when the home town of the Minister of Labour (Mr. Starr), Oshawa, came into the picture. This is the kind of consideration that was given by the present government in dealing with this harbour situation. This consideration was on the request of the city and the excellent member of parliament for that area, our Minister of Labour, who spoke to me about it on many occasions and brought to my attention and the attention of the department the need for this course to be followed. He was working as any good member of parliament does and as all Conservative members of parliament do, with the municipal authorities and with the government, as a liaison.

He got the following action for his municipality. A special team visited Oshawa and a preliminary report on that harbour was made in February, 1958. A second visit, and a final report, was made in November, 1959. There were two visits and two reports. Discussions were held with the mayor, industrial commissioners, city council representatives, city engineers, city planning director and representatives of local business. There was perfect co-ordination between the government, the member of parliament and civic officials.

I should like to say a little bit about these team visits. In a speech which the hon. member for Laurier made on December 9, 1957 he recommended an over-all survey. The first visits by the specially organized teams which I have mentioned were made during October and November of 1957 to the lakehead, Sarnia and Sault Ste. Marie. In other words, these visits were made several months before the hon. member made his memorable speech. As I say, during 1957 and up to the present time, 26 different ports have been visited in the St. Lawrence and great lakes area in addition to the three ports which I mentioned that were visited during 1957. This special team not only made these visits but also made reports. On June 5, 1959 the then minister of public works, who is today the Secretary of State for External Affairs (Mr. Green), told the hon. member for Laurier in parliament about the 23 ports which had already been visited up to that time. According to the hon. member for Laurier, nothing had been done.

Let us move on for a moment to what it is that regulates the potential of a harbour. We have heard speeches by the hon. members for Laurier and Essex East to the effect that we have given no help; we must take these harbours by the hand and tell them what they should know and do everything for them. What is it that makes a harbour a potential harbour for the future? In so far as incoming shipments are concerned, this potential depends on two things: first of all, whether the municipality is a market for manufactured goods or is suitable as a distribution centre to other markets; second, whether the municipality has industries which require bulk cargoes, and whether there are suitable transportation facilities to industries in the vicinity. In so far as outgoing shipments are concerned, the potential depends on whether the municipality or surrounding localities have two things, I believe: first of all, industries which produce manufactured goods for shipment to other parts of Canada or to other countries; and, second, industries which produce bulk cargoes for shipment to other parts of Canada or to other countries.

The businessmen of our ports know these factors very well indeed. Those who are appointed by us to be harbour commissioners are particularly well versed in these facts. The Department of Transport and the Department of Public Works give these commissioners, these municipalities and these municipal governments, every possible assistance when it is requested. We believe that the municipalities know their needs better than any government possibly can and it is our job to supply help and information when it is sought. The hon. member for Laurier and the hon. member for Essex East obviously believe that the businessmen of our ports, those who are appointed harbour commissioners, those who are interested in the welfare of the port, know nothing—

Mr. Martin (Essex East): Mr. Speaker, on a point of privilege; the hon. gentleman is

making a statement now for which I am sure he knows there is no foundation. I praised the personnel of the harbour commission in Windsor as being men of experience and men who were good citizens. The minister is not warranted in making that observation. The minister should not make that kind of statement, as he knows. What I should like to know is, is the minister going to do anything about the important needs for Windsor and other harbours or does he think they do not need to receive this kind of assistance?

Mr. Hees: If the hon. member would only pay attention, and if he would communicate with the various harbour officials across Canada he would ascertain we are doing a great deal in the way of giving help and advice when it is requested. In a number of cases we are actually giving financial assistance as well, where we think that is justified. We are doing everything we possibly can to help these harbours prosper and get all the trade they possibly can.

If the hon. member would go around to some of these harbours we have mentioned and ask the officials what they think about the assistance the Department of Transport and the Department of Public Works team has given to them I think he will find that they believe they have been given a great deal of help.

Mr. Martin (Essex East): I am sure that is so, but—

Mr. Hees: You have asked what we are doing and I have been telling you. When I try to answer your questions, you do not like the answers because they embarrass you.

Mr. Speaker: Order; I must ask the minister to direct his remarks through the Chair, if he would.

Mr. Martin (Essex East): I am simply interested in Windsor. Has there been a request for financial assistance—

Mr. Speaker: The hon. member has not been given the floor to ask questions.

Mr. Martin (Essex East): I have been given the floor; the minister has been allowing me to ask questions.

Mr. Hees: At the request of the hon. member for Laurier and the hon. member for Essex East these bills, instead of being dealt with in committee of the whole, are going to the committee on railways, canals and telegraph lines. The hon. member is a distinguished member of that committee and a very voluble one. He does not restrain himself in asking questions and I know he will ask a great many. That is the place to ask these questions.

In conclusion, I should like to say that if the hon. member for Laurier—I wish he were here, and he knew this was coming up today—was keen on this over-all economic survey of the effect of the St. Lawrence seaway on all ports in Canada there were two occasions, I believe, when he should have instituted such an economic survey and when he was in a position to do something about it. The first time was when he was minister of transport and before the government decided to go ahead and spend $350 million on building the seaway. I believe at that time the government, and he for the government, should have conducted such an economic survey to ascertain what the justification for the building of the St. Lawrence seaway would be, what kind of picture would be presented. If he is as keen as he seems to be on these over-all economic surveys, that was one time when he could have had one made. I think it would have been a very useful one. At that time, he did not think about it; he was not interested. He just went ahead.

Then in 1957 when he was still president of the St. Lawrence seaway authority, when he was in a position to do something about it, when it was only two years before the seaway would be opened, when it requires at least two years for harbours to plan, prepare and build for such an eventuality, that would have been an excellent time to have made an economic survey about which he is so keen. The hon. member made a speech in December of last year telling the government what it should do. I want to know why he did not do something about it and produce a survey to aid the harbours of Canada so that they could go ahead and prepare for the opening of the seaway. He was in a position where he could do something. He was interested in other considerations; he was just interested in making speeches telling people all the facts a few months later.

I should also like to know why the hon. member for Laurier when he was president of the St. Lawrence seaway authority in the early part of 1957, at the time when the Windsor harbour commission bill came forward, did not produce such an economic survey which he says I should produce now for the benefit of the Windsor harbour commissioners. I want to know where the hon. member for Essex East was at that time when the bill—

Mr. Martin (Essex East): Mr. Speaker—

Mr. Hees: You sit down.

Mr. Martin (Essex East): You have asked me a question.

Mr. Hees: I will listen to your question afterwards.

Mr. Martin (Essex East): On a point of order.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I heard the hon. minister asked a question, but as he did not sit down it was obviously rhetorical.

Mr. Hees: I am not asking a question; I am wondering.

Mr. Speaker: If the hon. member for Essex East has a point of order I will of course hear it.

Mr. Martin (Essex East): I heard what Your Honour said but I want to make it clear that the hon. gentleman asked me a question.

Mr. Hees: No, I did not; I was wondering.

Mr. Martin (Essex East): I am now prepared to answer that question, but I cannot unless the hon. gentleman permits me.

Mr. Speaker: Unless the hon. member who asks the question yields the floor, it is obviously not intended to be answered.

Mr. Hees: I am wondering just where in 1957 the hon. member for Essex East, the member from Windsor, was.

Mr. Speaker: Order. I think the minister is getting a long way from the bill when he begins to inquire into the whereabouts of the hon. member from Windsor, when this bill actually relates to the establishment of a harbour commission in Oshawa.

Mr. Hees: The hon. member is telling me that in setting up this harbour commission I should not do it unless I have an economic survey.

Mr. Martin (Essex East): Mr. Speaker, on a point of order, the hon. gentleman has no right to say that.

Mr. Hees: You are doubling back.

Mr. Martin (Essex East): The hon. member for Laurier, the hon. member for Essex East or any other member who spoke on this side of the house never suggested that the harbour commission, in this particular instance in Oshawa, should not be set up unless there was an economic survey.

Mr. Hees: That is the impression you created.

Mr. Martin (Essex East): It is not. The hon. member for Laurier made that clear. He said he was for this commission, but what he was calling the government to do was to implement the recommendations of an all-party committee on which the members of the government had a majority.

Mr. Hees: That is not a point of order; the hon. member is making a speech.

Mr. Speaker: Order. The hon. member for Essex East is going far beyond the subject on which he rose.

Mr. Martin (Essex East): I speak feelingly about this matter.

Mr. Speaker: I hope the hon. member will allow the minister to finish without interruption. I hope the hon. minister will come back to the bill because it seems to me that this side issue about an economic report which was allowed to be debated is really not too pertinent and only deserves very minor treatment.

Mr. Hees: Judging from what was in the speech it really deserves very little attention at all, but I thought I would like to set the record straight on the matter. It just seemed to me a little strange that in 1957 the hon. member for Essex East, who was not asking for information which would be of assistance to the Windsor harbour commissioners—

Mr. Martin (Essex East): We established the commission.

Mr. Hees: Yes, you let it be established because the chamber of commerce came to see the government and it just happened. It was through no fault of yours at all. I would say that if the hon. member for Essex East and the hon. member for Laurier would take a little more time in future to find out concerning matters about which they make voluble statements, and find out what the government is doing and come to see the minister, then they would not make carping, tub-thumping political speeches about which they know nothing. If they did that they could make a much better and much more constructive contribution to the debates of the House of Commons than they are at the present time. The kind of thing we are hearing now is no improvement over the last three years, and I am afraid it looks as though they will be sitting on that side of the house for a long time to come.

Mr. Fisher: I wonder if the minister will permit a question, if his fervour has abated. I would like to ask him what happened to the reports and whether they have been made public and so become of some use right within the community?

Mr. Hees: These are not public reports but reports made by the investigating team to the Minister of Public Works and myself. We

discuss these matters with the harbour commissioners and those who are in a position to do something to benefit the harbour concerned.

Mr. Fisher: I should like to ask the minister, since so many of the places he mentioned have no harbour commission, how he gets this information contained in the reports into the domain? Take for example a place like Goderich.

Mr. Hees: We go to these harbours when we are requested to and take a look at them and give them some assistance. After we have been able to do that the team comes back to report to the Minister of Public Works and myself, and then the team works with the people who requested the help in order to give them all the possible aid we can.

Mr. Pickersgill: Would the minister permit one more question before he sits down?

Mr. Speaker: Order. The minister has taken his seat so there can be no further debate.

Mr. Hees: I will answer questions.

Mr. Speaker: Will the minister accept another question?

Mr. Hees: Yes.

Mr. Pickersgill: The question I was going to ask was, when we move a motion for the reports will the minister produce them?

Mr. Hees: Mr. Speaker, as the chortling hon. member for Bonavista-Twillingate, who sits down smiling like a Cheshire cat after each question, knows perfectly well, they are privileged documents.

Mr. Pickersgill: Secret reports.

Mr. Hees: They are not; they are documentary reports made by the members of the Department of Public Works and the Department of Transport to the ministers concerned. The hon. member knows perfectly well that they are privileged documents and are not produceable.

Mr. Pickersgill: No information.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

NANAIMO HARBOUR COMMISSIONERS

ESTABLISHMENT OF CORPORATION FOR MANAGEMENT AND DEVELOPMENT OF HARBOUR

Hon. George H. Hees (Minister of Transport) moved the second reading of Bill No. S-10, to incorporate the Nanaimo harbour commissioners.

He said: Mr. Speaker, I would like to say a few words about this bill, and I know the hon. member for Nanaimo (Mr. Matthews), a very distinguished and able member, has some words to say about his own harbour commission.

Mr. Fisher: Mr. Speaker, may I ask a question?

Mr. Hees: I have not even started yet. That is just typical of the kind of opposition we are getting in the house these days.

Mr. Speaker: Order. I was just wondering how a question could arise before the minister had spoken.

Mr. Hees: Mr. Speaker, a petition sponsored jointly by the corporation of the city of Nanaimo and the Nanaimo chamber of commerce was received in my department regarding a proposal to establish a harbour commission for the harbour of Nanaimo, British Columbia. The city would upon the enactment of the necessary legislation vest in the proposed harbour commission harbour front property owned by the city for management and development by the commissioners.

It is considered advisable in the interests of proper and orderly development and expansion of the Nanaimo harbour that control be vested in a local body. The harbour is a natural, all year round deep sea harbour and is protected from the open waters of the straits of Georgia by the outer island of Gabriola and by the inner islands of Newcastle and Protection.

The strategic location of the harbour provides a loading and unloading point for the two main ferry services connecting Vancouver island and the lower mainland, that is Canadian Pacific railway and Black Ball Ferries Limited. During the peak of the summer season the ferries carry upwards of 1,250,000 passengers, 300,000 passenger cars and 50,000 trucks and trailers.

My department operates the government assembly wharf and the deep sea wharf which are approximately 1150 feet in length. They are used for the handling of lumber, pulpwood, fuel oil, iron ore, chemicals and other products from which a gross annual income is derived of approximately $30,000. These facilities would be placed under the management of the commisioners. In addition, the department collects in the neighbourhood of $16,000 annually in harbour dues and some $23,000 annually in water lot leases. This revenue would also be immediately available to the harbour commissioners.

The purpose of the bill is to establish a harbour commission to administer the harbour. There will be three commissioners, two appointed by the governor in council and

one by the city of Nanaimo. It is a bill similar to the one which set up the lakehead and other harbour commissions.

As already indicated, I propose to move after second reading that the bill be referred to the standing committee on railways, canals and telegraph lines.

Mr. W. F. Matthews (Nanaimo): Mr. Speaker, I am very glad to notice that at last Canada has a Minister of Transport (Mr. Hees) who certainly knows all about harbours. Actually the minister has robbed me of some very valuable opportunities. I had intended to tell hon. members all about this marvellous harbour. However, at last, as I say, we have a Minister of Transport who is certainly up to date, and I want to thank him very much on behalf of the chamber of commerce of Nanaimo and the city of Nanaimo for bringing this bill up at this time.

It has long been the thought of the chamber of commerce of Nanaimo that there should be a harbour commission, because it was realized what a great assistance this would be to the community. In the light of the growth and expansion which has taken place, particularly in the last two and a half years, it is more than ever necessary that this harbour commission be brought into being as soon as possible.

I want to explain that this harbour commission was not an idea of mine; I am not claiming credit for the idea, but I have not received any protests from anyone in the district. All the people there are very much in favour of it. I think they want this commission, and I am very pleased that they are to get it.

I wish to thank the Minister of Transport and the officials of his department for the wonderful help they gave me last year while I was working on this bill. I had a good deal to do with various men in the hon. gentleman's department and at all times they went all out to help me and give me all the assistance necessary. As a matter of fact, when the president of the Nanaimo chamber of commerce, Mr. John Cunliffe, came here he expected he would be here for five days. I think maybe he had in mind someone who was here five or six years ago. Because of the way things were set up in the department, he was able to complete all his business in one day. He asked me: What shall I do now? I said: Go back to Nanaimo, because you can save a bit of money. So he saved four days, and I am sure they all appreciated it.

The Nanaimo chamber of commerce is to be congratulated on the brief which it prepared about this commission. A number of people in the department here told me to compliment them on the very clear brief, and I certainly want to pass on that word right now.

This matter goes back some time, because included in this harbour we have an assembly wharf which has been there for a number of years. It has served the whole central island in a very large way. As a matter of fact a lot of money is being spent on it right now to get it in shape for the tremendous amount of work that we expect in connection with the new extensions that are coming. Another notable thing is that while the Conservative party was in power this assembly wharf came into being and the Nanaimo member, Mr. Charles Dickie, of Duncan, British Columbia, was instrumental in getting this wharf for Nanaimo. A very interesting thing I noticed was this: at the time Mr. Dickie was advocating this, a Liberal member opposed very strongly having this wharf built there, and I should like to read out of the record of our debates for 1934, volume 4, page 4397, starting toward the bottom of the page, what was said by Mr. A. E. Munn representing Vancouver North:

> Another item that I see in the schedule is an assembly wharf at Nanaimo. I wish to caution the minister about building an assembly wharf there. In my opinion Nanaimo is not a suitable location. Nanaimo is the centre of a coal-mining industry rather than a lumber industry. There are no lumber mills at Nanaimo—

I was surprised to read that, because I know there was.

> —and if an assembly wharf is built there it will surely be a failure because the dust from the coal will get on the lumber and when it gets to the planing mills they will wonder what has happened.

A little coal dust on the lumber, apparently.

> This is something of which I think the minister should take special note and make sure that the lumbermen of British Columbia want that assembly wharf built at Nanaimo. I am not holding any brief for any other town, but as a practical lumberman I know that Nanaimo is not a suitable location.

That wharf was put in by the Conservative government which had some of the same vision we certainly need today. They could see into the future, and they could see that Nanaimo was changing from a coal mining town to a town which had to depend on other things. They have tremendous mills there for lumbering and, as everyone knows, they have large pulp mills which are doing a wonderful job for the community. I never did hear at any time Nanaimo people complaining that coal mining was going out and that we are going to be a ghost town. We are very fortunate in the fact that we have other resources which can be developed. It is too bad that all other towns in Canada which have this problem have not the same thing,

some other industry to which they can turn. It certainly must be a worry if they have not got them.

I am very privileged to represent as a member of parliament a riding which was represented before by the present Minister of National Defence (Mr. Pearkes). I found it was a challenge to follow a man of his calibre, a man who devoted his whole life to Canada before he ever came to parliament and who, since then, has continued to do so and is doing a marvellous job. I felt it was a considerable challenge, because everywhere I went people would say: If General Pearkes endorses you, we will be behind you. I certainly believe much of the reason I am here is because of the calibre of man I succeeded. I was new in this place, but I certainly had the advantage of having a man such as the Minister of National Defence behind me to help me out. I could go on and talk for a long time about the Minister of National Defence and all he did while he represented the riding. I do not think I would be out of order, because the Minister of National Defence was instrumental in getting public buildings, a new post office, and various other public works. He was also instrumental in getting a new wharf in Nanaimo, and a vocational school—

Mr. Martin (Essex East): I do not like interrupting the hon. member, but all this is relevant only in the sense that a discussion of the Bomarc missile would also be relevant.

Mr. Matthews: I note with interest that the gas line has been completed into the House of Commons. I certainly do not want to disturb the hon. member for Essex East by talking any more about our present Minister of National Defence. I think that is what is worrying the hon. gentleman, because he swings right away to the very successful Bomarc. I want to get away from that subject. I want to swing back to Nanaimo.

I was interested that when this bill went through the Senate one of its hon. members remarked that it was just coastwise shipping that passed through Nanaimo. That is a mistaken idea because you often see big freighters tied up and others anchored waiting to come in. I wanted to explain to hon. gentlemen that this is a real harbour. I want to read the following article from the Nanaimo paper dated March 21, 1960:

> Ocean-going freighters loaded cargoes at port of Nanaimo last month for delivery in almost every part of the world.

You see, the port handles not only coastal shipping but shipping to every part of the world. I continue:

> Pulp exports ran to well over 6,000 tons, or better than 300 tons for each working day. Full-bleached and semi-bleached pulp made up these cargoes which went to the United Kingdom, the U.S.A. and South Africa.
>
> Assembly dock in Nanaimo has been a busy place. From this dock lumber is loaded for overseas shipment. March was a busy month as nearly 7 million board feet of Vancouver island lumber started its trip abroad.

All this, despite the dim outlook taken by Mr. Munn on this matter. The article continues:

> Japanese steel mills will continue to use B.C. iron ore. During March 17,000 tons of Texada iron ore were cleared through the customs at port of Nanaimo.

They do not load at this assembly dock but they do clear from this port. I have another article here but I will not read it. The Minister of Transport has spoiled this one for me so I will return the clipping to my file.

With respect to transportation we have 21 sailings a day each way from Nanaimo so that if hon. members are able to take the trip arranged for this fall certainly will not get marooned on any of the islands unless they happen to go out with some of the local boys.

The port of Nanaimo also serves the communities of Duncan, the Cowichan lake district where there are big mills, Crofton which has a pulp mill and others.

I was interested in what the hon. member for Laurier (Mr. Chevrier) said about surveys being made before anything is done along the lines of establishing a harbour commission.

Mr. Martin (Essex East): The hon. member did not say that at all. My hon. friend was talking about a survey recommended by an all-party committee in 1958 with regard to the completion of the St. Lawrence seaway in relation to ports on the great lakes. That is an altogether different question.

Mr. Matthews: I was under the impression that the hon. member thought a survey should be made but apparently I am wrong and will have to refer to the record. In any event I do not think the hon. gentleman made it very clear because as a rule I get these things right.

Mr. Browne (Vancouver-Kingsway): The hon. member for Essex East (Mr. Martin) is never very clear.

Mr. Matthews: Returning to the subject of the Windsor harbour commission I would take issue with the idea expressed by the hon. member for Laurier because on April 6, 1957, in moving second reading of the bill to incorporate the Windsor harbour

commissioners, as reported at page 3214 of *Hansard*, the then minister of transport, Mr. Marler, had this to say:

> Increased activity expected to result from the completion of the St. Lawrence seaway is a further reason behind the proposal.

In other words Mr. Marler made no suggestion that any survey should be made. His idea was that the port should come into being as soon as possible.

Mr. Martin (Essex East): Hear, hear.

Mr. Matthews: I am sure all hon. members agree with that policy. I also noticed that the hon. member—I get them mixed up because there are so many of them—for Essex West (Mr. Spencer) suggested that this bill be put through without being referred to the committee on railways, canals and telegraph lines. That is not a new idea. Our very able Secretary of State for External Affairs (Mr. Green) extended that courtesy to the Windsor harbour board when its bill of incorporation was presented in 1957. As reported at page 3214 of *Hansard* of April 6, 1957 the minister who was then the private hon. member for Vancouver Quadra said:

> On behalf of the official opposition, I am very glad to speak in support of this bill.

In other words the hon. member was very much interested in it, felt it was a step forward and did not want to hold it back in any way. He went on to say:

> In the ordinary course, this bill should have been referred to the standing committee on railways, canals and telegraph lines where it could be examined in detail and where we could hear evidence from witnesses. For example, we could have heard from representatives of the city council of Windsor as well as officials of the Department of Transport.
>
> And the hon. member for Essex West (Mr. Brown) who, I am sure, would have made a real contribution to the proceedings. But in view of the fact that we are in the last days of the session, I am afraid if this bill went to committee the result might be the legislation would not become law at this session. It is for that reason we in the official opposition are not asking that it go to the committee.

Hon. members can readily understand why the hon. gentleman wanted to be of assistance to the east and west. That is why I believe the hon. gentleman will do a capable job in the present position he occupies as Secretary of State for External Affairs. That was an example of the need for us to work together and help one another and not get up and hold back the business of the house.

Because Bill No. 224 to incorporate the Windsor harbour commissioners was passed by this house on April 6, 1957 without being referred to the standing committee I would ask that the bill before us receive the same consideration and I commend Bill No. S-10 to the favourable consideration of hon. members.

Mr. Frank Howard (Skeena): Mr. Speaker, at the outset may I indicate to the minister through you what was in the mind of the hon. member for Port Arthur (Mr. Fisher) who for obvious reasons was unsuccessful in posing his question. What the hon. member sought to do was inquire of the minister whether or not he would deem it advisable to follow the example set by a number of cabinet ministers in recent days who have taken their parliamentary secretaries into their confidence and allowed them to pilot legislation through the house. This would be a commendable thing for the Minister of Transport to do and his parliamentary secretary, who no doubt reads as well as the minister does, would have benefited from the experience.

I was interested in the historical and political account given by the hon. member for Nanaimo (Mr. Matthews) and thought his reference to the connection between one hon. gentleman and the trans-Canada pipe line was one of the most suitable retorts to the hon. member for Essex East (Mr. Martin) I have heard.

I am indebted to the former member for Nanaimo, Mr. Cameron, for having given me when I first came to Ottawa an understanding of the need for establishing a harbour commission at Nanaimo. Although I had visited there briefly it is not possible in a short space of time to assess fully local needs. As Mr. Cameron was responsible for the establishment of a post office at Nanaimo I am sure he is partly responsible for doing the preliminary work leading to the introduction of this bill.

I do not intend to repeat what was said by the hon. member for Nanaimo concerning the need for establishing a harbour commission there. It is true that the city of Nanaimo is considered to be the hub of Vancouver island; it is the central port for shipping not only to the mainland, across to Vancouver, but also to many other countries of the world as was indicated by the hon. member for Nanaimo.

I would hope that through the passage of this bill the commissioners, when they are appointed, will be vigorous and imaginative and will tackle this question of the development of the harbour and shipping facilities in such a way that Nanaimo will truly become a port of much greater importance than it is now and will be a credit more than it is now to that jewel of the west coast, Vancouver island.

I have one thought that I should like to leave with the minister. There is this possibility, and we may be able to expand on this when we get into the committee stage.

I notice that by this bill—and this is true of other bills establishing harbour commissions in other places—the commission is given borrowing powers; it is given authority to issue debentures and borrow money for the purposes required. It would be a commendable approach if within the Department of Transport—perhaps the Department of Finance would be the proper place to have this done—there could be established in co-operation with the Department of Public Works a revolving fund account which would allow the harbour commissioners or corporations as they are known to borrow money directly from the federal treasury. If they were allowed to do this it would be possible for them to borrow money at a lower rate of interest than they will be able to borrow it if they have to enter the money market. This would permit the commissioners to have more money at their disposal because they would be paying less in interest rates.

Mr. Martin (Essex East): That was done in Hamilton.

Mr. Howard: The hon. member for Essex East (Mr. Martin) indicates that that was done in Hamilton. It is an approach that should be established here. For the benefit of the hon. member for Essex East and just to make sure that we are both discussing the same thing, I may say to him, through you, sir, that I am talking in terms of a revolving fund which would be available not only to Nanaimo but to all other harbour commissioners in the country.

Mr. Martin (Essex East): I was referring to a loan from the federal government at a fixed rate of interest.

Mr. Howard: Even so, it has a direct relationship to the Nanaimo harbour commissioners when the commission is established. This course is a commendable one and it would be following the pattern established in Hamilton. I think the principle can be established by setting up a general revolving fund account from which all harbour commissioners in Canada could borrow money and thus realize great savings for the tremendous amount of work they have to do in the particular harbours under their jurisdiction.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

FISHERIES

NEWFOUNDLAND—REPEAL OF PRE-CONFEDERATION FISHERIES LAWS

Hon. Gordon Churchill (Minister of Trade and Commerce) moved the second reading of Bill No. S-3, to repeal certain fisheries laws in Newfoundland.

[Mr. Matthews.]

Mr. Howard: May I raise a point of order? Perhaps this was arranged but I have no knowledge of it. As I read it, the following indication was given last night by the Minister of Trade and Commerce as to what the order of the bills would be. First, there was Bill No. S-5, to incorporate the Oshawa harbour commissioners, which has been dealt with. This was to be followed by Bill No. S-10, with regard to the Nanaimo harbour commissioners, which has just been dealt with; then, Bill No. S-2, the Canada-Netherlands Income Tax Agreement Act; and then Bill No. S-3, to repeal certain fisheries laws of Newfoundland.

Mr. Pickersgill: If I could say a word on the point of order, sir, a notice was sent to me by the house leader, and on my notice was an indication that a copy was also sent to the hon. member for Assiniboia (Mr. Argue) indicating that Bill No. S-2 would not be proceeded with.

Mr. Howard: That is fine.

Mr. McCleave: The C.C.F. are leaderless and clueless.

Mr. Churchill: Mr. Speaker, my remarks on this bill will be brief, merely by way of explanation and to establish the authority for the action which is now proposed.

At present, under term 22 of the terms of union of Newfoundland with Canada, certain fisheries laws, as defined in paragraph (1) of term 22, in so far as they relate to the export marketing of salted fish from Newfoundland to other countries or to any province of Canada, have been continued in force in the province of Newfoundland for a period of five years from the date of union and thereafter until the parliament of Canada otherwise provides.

Under term 18 of the said terms of union all laws in force in Newfoundland at, or immediately prior to the date of union, have been continued therein as if the union had not been made, subject to repeal or alteration by the parliament of Canada or the legislature of the province of Newfoundland according to the authority of the parliament or the legislature under the British North America Acts 1867 to 1946. Likewise, all orders, rules and regulations made under any such laws have been continued subject to revocation or amendment by the appropriate constitutional authority.

In 1959, the exportation of salt fish (permits) act, being No. 10 of the statutes of Newfoundland, 1942, and being one of the

statutes listed in paragraph (1) of term 22, was repealed by the parliament of Canada.

The remaining statutes listed in paragraph (1) of term 22 relate to the Newfoundland fisheries board, which board, under and by virtue of paragraphs (2) and (5) of term 22. have been brought within the jurisdiction of the parliament of Canada. The board has been continued to date.

Since the proclamation in Newfoundland of the fisheries act on May 1, 1958, the proclamation in Newfoundland of the meat and canned foods act and the fish inspection act on July 1, 1959, and the repeal of the exportation of salt fish (permits) act as of August 1, 1959, the board has ceased to have any functions.

The purpose of the proposed legislation is to repeal, pursuant to terms 18 and 22, the remaining statutes which are listed in paragraph (1) of term 22 and which have been consolidated by the province of Newfoundland in the Newfoundland fisheries board act, being chapter 207 of the revised statutes of Newfoundland, 1952, and to repeal all orders, rules and regulations made thereunder, or made pursuant thereto under the terms of union.

In short, the Newfoundland fisheries laws, as defined under term 22 of the terms of union with Canada, are now redundant and serve no useful purpose. These laws have been superseded by the statutes of Canada relating to fisheries which have now been brought into force in Newfoundland.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, I should like to speak briefly on the act which we are about to repeal. This act had its roots in attempts made to standardize control of the marketing of dried salted codfish in particular. In the days prior to confederation and in the years immediately following, inspection or, to use the time-honoured word, "culling" had to do with grading of fish, and not only grading of fish for export but those regulations were two-pronged. Government inspection began when fishermen were selling their fish. Cullers would sort out the fish as it was being delivered to the merchant by the fishermen. The culler would separate the fish into various grades and the fishermen would be paid accordingly. The final act of inspection would be when the fish was ready for export. It would be inspected to make sure that the quality was as marked in order to maintain the standards of the fish in our markets.

The effect of this repeal bill will be that federal inspection will be limited to inspection for export. Personally I do not see too much wrong with this move. Quality as between merchant and fisherman is not really the business of the federal government. My own opinion is that when fish is in good demand the cull is easy. Competitors will pay high prices for a lower grade article rather than stick to strict grading and pay overly high prices. This redounds to the benefit of the fisherman. When the market is slow the culling regulations can be used as a stick to beat down prices and this redounds against the interests of the fisherman. Unless there were a strict policy of anchoring prices to grades I cannot see that federal or other control of fish as between the fisherman and the merchant can be of real benefit to the fisherman.

I think I should say, however, that easy culling and the lack of premium prices for premium grades do not encourage quality production. I intend to say more about this later on the fisheries estimates. However, the ancient practice of easy or hard culling, depending on market conditions will not pass away overnight. I doubt whether any legislation can eradicate it. Only time, industrialization or the extinction of the codfish will end it.

But there is much to be said for paying a premium on quality and unless there is a better price for a quality article the incentive to produce really good fish is somewhat limited. Fortunately most fishermen take pride in their work and do the very best they can. Such men should get a reward by way of a better price for the better article produced. The ideal situation would be a fair set of culling regulations which would be adhered to and a price set in accordance with quality.

Before union the Newfoundland fisheries laws were administered by the Newfoundland fisheries board. The board's authority covered the grading or culling of fish. Fish were culled when they changed hands from fishermen to merchants. The fish were inspected and graded before being shipped to the markets. I think I should say that quality has much to do with whether or not we retain our markets. I am convinced that every incentive should be offered and every care should be taken to see that Canadian fish is good fish. It is interesting to note that the world consumption of fish is increasing but that our production compared with the world increase in consumption is not keeping pace.

Much of the world's fish is caught off the east coast of Canada by foreign ships. I have gone into this matter before and shall not do so now. I feel, however, that I must emphasize again the need for recognition that in our fisheries we have a source of really great potential wealth. Yet only about 10 per cent of the world consumption of salted fish, which is estimated at half a million tons per year, is produced in Canada, which should be the greatest producer of fish in the world.

Quality must be maintained and markets developed. Culling regulations and inspection

generally have a direct bearing on the article for sale. The final effect is what counts. The amount of fish we sell, the condition it is in when it reaches the markets and the way marketing is conducted are prime factors in the industry. I should like to include in my remarks an appeal for an aggressive marketing policy. I should like to emphasize that much has been done in recent years to assist the fisherman but much has yet to be done to round out a complete program. Finally, I should like to ask the Minister of Trade and Commerce (Mr. Churchill) to give his personal attention to the matter of aggressive marketing of Canadian fish.

Mr. Frank Howard (Skeena): Mr. Speaker, it has been very interesting to listen to the lucid explanation of the hon. member for Grand Falls-White Bay-Labrador (Mr. Granger) with respect to the Newfoundland fishing industry and the effect that the passage of the bill before us will have. He also referred to other matters about which he is concerned. We in the C.C.F. wish to indicate to the house and to the people of Newfoundland who will be affected by the bill that we support the bill.

If I may be allowed to venture into this field to a slight extent, the hon. member for Grand Falls-White Bay-Labrador related some of the difficulties experienced between the fishermen and the buyers with respect to the price paid for fish and the grading of fish. If I may be allowed to say so, I suggest that this difficulty can be overcome to a degree by the development of co-operative ownership of the various sections of the fishing industry so that the fishermen themselves can have far greater control over grading and prices and can establish a degree of uniformity with respect to prices and grades that will greatly enhance their economic position.

In those places where co-operatives are not possible or have not been formed, I suggest that the development of some form of union would be helpful in protecting the interests of the fishermen. I think it can be said that generally fishermen on the west coast and others connected with the industry have had a very good experience with the federal Department of Fisheries not only with respect to the inspection services but in the field of conservation and all the other fields in which the federal department is involved. I hope sincerely that the people of Newfoundland who will be affected by the passage of this bill will have the same beneficial experience with the Department of Fisheries that we on the west coast have had.

[Mr. Granger.]

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Flynn in the chair.

On clause 1—*Fisheries laws repealed.*

Mr. Pickersgill: Before clause 1 carries, if the minister will permit me I should like to echo the appeal of the hon. member for Grand Falls-White Bay-Labrador with respect to the need for the most aggressive possible marketing policy. As the minister has told us, under the legislation now being repealed there were provisions for marketing through a marketing board and through other agencies that will no longer be open under the laws of Canada which will supersede the legislation now being repealed.

As my hon. friend said in his speech, we have no quarrel with that position. But we are very gravely concerned, as I am sure the government, the minister, the Minister of Fisheries and the Minister without Portfolio are with a proposal that has been made by the common market, which happily has now been adjourned for some little time, to put a tariff around the whole common market area in Europe against Canadian codfish. The effect of that, if it were to be carried out, would of course be to give the French producers, who have a base eight miles off the coast of Newfoundland a differential advantage in a market where they have never had it before and would, to that extent, be a disability which would have to be overcome either by price cutting or by some other device which would be bound, in the end, to bring a lower return to our fishermen. We might, indeed, lose the market altogether.

Unhappily in the last few years, although the market has not been too bad itself, the production of the kind of fish that is required by the Italian market and also by the Spanish market has been going down and the production of the kind of fish that can be sold only in the West Indies has been going up. The consequence of this is that we are losing sales in a good market and tending, to some degree, to congest the supply in another market, to the disadvantage of all Canadian producers. I just echo very strongly the words of my hon. friend from Grand Falls-White Bay-Labrador, that the government should give very careful consideration to the possibility of doing what was done before the war in order to supply the British market with bacon, that is to say, the establishment of a premium—perhaps for a year or two to see how it would work—on the Spanish and Italian fish in order to try to keep that market during the technological revolution of which I am sure the minister is aware on the east coast. What is going on at Valleyfield

and elsewhere offers a real hope that it will not be very long before light salted fish can be produced in plants. Then it may be possible to survive in these markets without any need for a premium and allowing purely economic forces to operate. There is very grave danger, in the interval, of losing the market.

I noticed in an item in the newspapers only last night our ambassador to Spain was talking about the failure of Canadians to take advantage of the market in Spain. I do not know whether that is true, but this is one market, in Spain, which we know is the best market of all pricewise. If we can only make sure of hanging on to it for the next two or three years I think there would be a real hope of keeping it for good. It is very important, not merely in an isolated way but as part of the over-all picture of the markets in that area.

Perhaps, sir, if you construed the bill very narrowly you might find a little difficulty in ascertaining that my remarks were actually relevant. However, in view of the fact that this is really carrying out part of the terms of union, you would not wish to do that and perhaps you would wish to give the minister an opportunity to say a word in reply.

Mr. Churchill: The suggestions made by the two members from Newfoundland who have spoken on this bill are helpful and constructive. I express the hope that they will continue to draw to the attention of the committee problems that may arise with regard to the fishing industry.

From the standpoint of the Department of Trade and Commerce, working very closely in co-operation with the Department of Fisheries, we want to do everything that is within our power to maintain the Canadian export market for fish. We put forth the same effort with regard to this product as we do with other products that are exported from Canada. The export of fish from Canada, as from the earliest days, has been one of the great factors in our economy and should be maintained.

We are watching continuously the developments in Europe with regard to the establishment of a common market and free trade area. From time to time we have put forward, and will continue in the future to put forward, Canada's position with regard to that market. Our position is one of concern lest it should become a restrictive market and one of exhortation that Canada's position in that market for products of the sea and products of the farm should not be lessened in the future. I hope all members from Newfoundland will continue to bring forward constructive suggestions, as they have this afternoon, with regard to the marketing of Canadian fish.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read a third time, now?

Some hon. Members: By leave.

Mr. Churchill moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Before you leave the chair, Mr. Speaker, I believe there are some changes to be made in the announcement of the business last night. Perhaps the house leader could make them.

Mr. Churchill: We have made excellent headway this week, Mr. Speaker, thanks to the mood of the house and the good co-operation we have received. The suggestion I have just received is a good one, and I will now introduce it. Tomorrow, we will start off with interim supply. After that is concluded, we will take item No. 11 on today's order paper which is the resolution in the name of the Minister of National Health and Welfare dealing with the Old Age Security Act. We will follow that with the estimates of the departments of agriculture, post office and public works during Thursday and Friday if the time becomes available.

Mr. Pickersgill: Perhaps I might just ascertain if it is still the intention to go ahead with a motion for supply on Monday.

Mr. Churchill: Yes, thanks for reminding me. On Monday and Tuesday, the fifth supply motion will be brought forward.

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:

EAST SHIP HARBOUR, N.S.—EXPENDITURES, 1958-59

Question No. 368—**Mr. McWilliam:**

1. Were any expenditures made in the fiscal year 1958-1959 on east Ship Harbour, Halifax county, Nova Scotia?
2. If so, who was the contractor?
3. What was the amount of expenditures involved?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. Yes.
2. John Monk, for installing plank runners on the deck of the public wharf.
3. $277.

RENE LEVESQUE, MONTREAL—C.B.C. EMPLOYMENT

Question No. 374—**Mr. Pigeon:**

1. Was Mr. Rene Levesque, of Montreal, employed by the Canadian Broadcasting Corporation during the years 1956, 1957 and 1958?
2. If so, what amount was paid to him by way of salary or other remuneration, and expenses, for each of these years?

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

1. Mr. Rene Levesque was on the staff of the corporation as a producer from January 1 to April 30, 1956. At that time he ceased to be a member of staff and from then until the end of 1958 was employed on a per occasion basis as a free-lance commentator under contract.

2. Statements of payments to individuals have been held not to be in the public interest as being detrimental to the position of the corporation in negotiating for such services for broadcasting.

HOUSE OF COMMONS

Thursday, May 19, 1960

The house met at 2.30 p.m.

PRIVILEGE

MR. PICKERSGILL—FEASIBILITY STUDY, P.E.I.-N.B. CAUSEWAY

Hon J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I am rising on a question of privilege. Yesterday a motion was rejected by the house for a copy of the current feasibility study of the proposed causeway between Prince Edward Island and the New Brunswick mainland. I have in my hand a document which has been distributed, I believe, in this house and elsewhere entitled "Northumberland strait crossing, interim report on feasibility study" delivered by Major General H. A. Young, deputy minister of public works, Charlottetown, Prince Edward Island.

I submit that it is an outrageous breach of the privileges of this house to deny to the house something which has subsequently been given to the parliamentary press gallery and to the public generally.

Mr. Speaker: The hon. member has raised the question as a matter of privilege. If he will recall the events of yesterday, there was a motion made and rejected by the house on its own vote for the production of the document.

Mr. McIlraith: Contempt of parliament.

Mr. Fulton: How can parliament be in contempt of parliament?

Hon. Lionel Chevrier (Laurier): Mr. Speaker, on the question of privilege I think there should be some statement made by the government as to the reason for the production of this document in a place other than the House of Commons when the House of Commons was refused it by a vote.

Mr. Speaker: I find myself in some difficulty about this; because as I recall the practice of the house it does not criticize its own decisions, and in effect what the hon. member is doing by raising this point as a question of privilege is reflecting on the vote which the house took yesterday with respect to the production of this document.

Mr. Pickersgill: If Your Honour would permit me to say a word on that point, I am not criticizing the decision the house took yesterday. I am criticizing the conduct of a member of the government today in producing in this fashion a document that the house decided should not be produced to the house.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the minister concerned having just come in he is obviously not in a position to answer at once. Surely, however, it is desirable to recall just what happened yesterday when the motion was made. The minister asked that it stand, and as he explained subsequently, he wanted it to stand because it was his view that there was no such document as that technically described by the hon. member's motion. The hon. member, with that facility for precipitate action for which he is so well known, refused to let the motion stand for investigation and forced a vote. In those circumstances the minister had no alternative but to refuse the motion, because he was not at all certain that there was such a document.

Now, what is happening? The hon. member is urging that there is contempt of parliament. It was parliament which decided that the motion should be rejected.

Mr. McIlraith: No.

Mr. Fulton: It was the House of Commons which decided the motion should be rejected and I fail to see how the House of Commons can be in contempt of itself. It is, therefore, perfectly obvious that if my hon. friends in the opposition would just show a little reasonableness on a request to allow motions to stand, this matter could have been disposed of without the confusion they themselves have generated.

Mr. Pickersgill: Since the Minister of Justice has raised this point I would draw Your Honour's attention to the fact that there seems to have been a further breach of the privileges of the house in the statement made by the Minister of Public Works (Mr. Walker) yesterday in reply to the hon. member for Prince (Mr. Phillips), because in that statement the minister said categorically that there was no such report, as will be found on page 4001 of *Hansard*, and today his department issues a report to the parliamentary press gallery. I submit, sir, that no minister of the crown has a right to mislead this house the way the minister did yesterday.

Question of Privilege

Right Hon. J. G. Diefenbaker (Prime Minister): The statement which has just been made has no foundation in fact. Apparently the rule around here recently is for the opposition regularly to raise smokescreens by way of alleged questions of privilege. This is another example of that type of attitude.

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege. The Prime Minister has stated in this house that a statement I made had no foundation in fact.

Mr. Speaker: Order.

Mr. Pickersgill: This—

Some hon. Members: Order.

Mr. Speaker: If the house wants to hear the hon. member there will have to be a little less noise. The hon. member is raising another question of privilege?

Mr. Pickersgill: A question of personal privilege. The Prime Minister, sir, has just stated in this house that a statement I made was not a matter of fact, notwithstanding that the statement I made is right here in *Hansard;* and I intend, sir, in order to show how irresponsible the conduct of the Prime Minister is, to read this statement.

In reply to a question which the hon. member for Prince directed to the minister after, I might say, this motion had been rejected by the house and which therefore perhaps raises a question of propriety, the minister replied:

> Mr. Speaker, I want to thank the hon. member for directing this question to me, along with preceding questions. While I regret exceedingly that it was not possible to give a reply to the hon. member for Bonavista-Twillingate as to the feasibility or otherwise of the causeway, because it is impossible to do that—we have no such report—

And then today, sir—

Some hon. Members: Read on.

Mr. Pickersgill: —the parliamentary press gallery is given an interim report on the feasibility study.

Mr. Speaker: The hon. member has taken a different point of view from that expressed by the Prime Minister on facts which are on the record. It is not possible to continue a debate on a question of privilege unless there is some motion before the house.

Mr. Diefenbaker: There is no mistake about the statement to which I referred, which was that a minister of the crown, the Minister of Public Works, had misled the house.

Mr. McIlraith: Look at the record.

Mr. Pickersgill: Again the Prime Minister is wrong. I did not say he had misled the house. He sought to mislead the house; he did not succeed.

[Mr. Pickersgill.]

Mr. Speaker: Order. I must take exception to the last remark of the hon. member for Bonavista-Twillingate, that the minister had sought to mislead the house. He knows that such a statement should not stand, and I ask him to withdraw.

Mr. Pickersgill: Well, Mr. Speaker, I think the minister's words speak for themselves—

Some hon. Members: Withdraw.

Mr. Grafftey: Be a man and do it quickly.

Mr. Pickersgill: —and I would ask the minister to explain how he could say there was no report when he has produced a report today.

Some hon. Members: Withdraw.

Mr. Speaker: Order. If hon. members will restrain themselves I think the matter might be disposed of. I have asked the hon. member to withdraw the statement that the minister sought to mislead the house.

Mr. Hellyer: Ask the Prime Minister to withdraw his smokescreen charge.

Mr. Speaker: Order. I think it would not be in accordance with the standard of conduct we have set for ourselves to allow such a statement to stand. I am sure the hon. member for Bonavista-Twillingate, who has a very high appreciation of the practices of parliament, would not want to have that appear in the record. I know that his initial statement referred to a misleading of the house and I take no exception to that, but then he added the other phrase and I think he should amend it.

Mr. Pickersgill: Your Honour, of course, as almost always, is quite right.

Some hon. Members: Oh, oh.

An hon. Member: That is worse.

Mr. Fleming (Eglinton): Shocking condescension.

Mr. Pickersgill: In using the words "sought to" I was obviously seeking to interpret the mind of the Minister of Public Works. I would never wish to do that, sir, and I of course withdraw.

Hon. L. B. Pearson (Leader of the Opposition): I should like to raise a point of order, Mr. Speaker. I suggest to you, sir, that the Prime Minister should also be asked to withdraw his statement that this matter was raised as a smokescreen and that the statement of the hon. member for Bonavista-Twillingate was not factually correct, inasmuch as the hon. member has read *Hansard* to show that it was correct. Perhaps the Prime Minister will now withdraw his statement.

Mr. Speaker: From time to time I have observed that hon. members have used the word "smokescreen" with respect to actions on the other side of the house, and while strictly speaking it is not in order to impute improper motives I do not think that is a statement that I should request be modified unless the hon. member who used it wishes to do so himself.

Mr. Martin (Essex East): Mr. Speaker, in view of the question of privilege raised by the hon. member, surely this matter cannot properly be resolved unless the Minister of Public Works—

Mr. Fulton: He is trying to.

Mr. Martin (Essex East): —addresses himself to the question which has been raised.

Mr. Fulton: He is trying to.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I have been on my feet not less than eight times. This matter is simple to everyone except the hon. member for Bonavista-Twillingate. He asked me to table a report.

Mr. Pickersgill: No; the word "report" is not in the motion. Read it.

Mr. Pearson: Why don't you read the motion?

Mr. Walker: He asked that we should table the current feasibility study in the house. Eventually some day we hope to have a study or report as to the feasibility or otherwise of building a causeway between Prince Edward Island and the mainland. That is what we hope to have, but it is a very difficult, long term project requiring a great deal of research. However, in order to keep the house advised from time to time as to the progress being made progress reports have been made.

These studies involve four or five departments. A great deal of study and research have been put into the matter, including the use of facilities of the national research council. Nevertheless we are not now in a position to give a feasibility report such as was required by the hon. member for Bonavista-Twillingate, and it was impossible to table something that we did not have and will not have for some time. I told the house what I would do, and if the hon. member had asked for it we could have done it for him. But he is simply being tipped off by someone, because there are no Liberal representatives from the maritime provinces and therefore he has to do a half-baked job. He does not understand what is going on.

Mr. Speaker: Order. I hope the minister who has the floor to deal with a question of privilege will not raise another one.

Mr. Walker: Therefore, if he does not know, I think it is correct to say that we have had two progress reports on the studies that are now going on in connection with this causeway.

In reply to the hon. member I may say that today the hon. member for Prince, who has been following this matter—after all he is a member from Prince Edward Island—has asked for a progress report. I will be very happy to be able to give that report to the house when the orders of the day are reached. This is something entirely different from what was requested by the hon. member for Bonavista-Twillingate. I do not blame him for not understanding; he very seldom does understand. When the time comes I will make this interim progress report as to our investigations, and then I think even the hon. member for Bonavista-Twillingate will be able to see the difference between a progress report and a feasibility study, or feasibility report, such as he requested yesterday. The two are so far removed from one another that there should not be any possibility of misunderstanding even by the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: Mr. Speaker, I would draw Your Honour's attention to the wording of the motion, which the Minister of Public Works was very careful not to read and which he misrepresented in the statement he has just made. It should be in the record correctly, since he has indulged in a kind of innuendo in which I do not intend to indulge. On page 3999 of *Hansard* of yesterday the motion reads:

> For a copy of the current feasibility study of the proposed causeway between Prince Edward Island and the New Brunswick mainland.

As I told the minister yesterday, the motion was put on the order paper because of a statement in the Charlottetown newspaper. I might point out that the document here is called a feasibility study, and it was quite obvious that this was what was requested.

Mr. Speaker: I think both points of view on the question of privilege which the hon. member has raised have been expressed, and the house should proceed to other business.

CANADIAN CENTENNIAL

INVITATION TO INTERESTED PARTIES TO OFFER SUGGESTIONS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government is inviting associations and individual persons

to offer suggestions at this time on the marking of Canada's one hundredth birthday in 1967. Numerous suggestions have already been received from various sources, but the government wishes to be certain that all interested parties and groups have had an opportunity to contribute their ideas.

It might be asked why this invitation is made at this time, some seven years before the actual event. The answer is that activities such as public ceremonies of the nature and magnitude of the ones expected in this country at that time will require years to plan and complete.

It would be unfortunate if any worth-while proposal for the centennial were to be disregarded because it had not come to our attention in time to be included in the overall program or to permit of its execution. As the house knows, a national committee on Canada's centennial comprising ministers and other representatives of the federal government and of the ten provinces has been formed to meet in the early autumn to work out the broad lines of the centennial program. It is suggested, therefore, that if possible any suggestions on the subject should be placed in the hands of the centennial secretariat in the privy council office by August 1.

EXTERNAL AFFAIRS

NATO—REPORT ON MEETING OF COUNCIL WITH WESTERN FOREIGN MINISTERS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Can the Secretary of State for External Affairs report to the house on the meeting of the NATO council held this morning in Paris?

Hon. Howard C. Green (Secretary of State for External Affairs): Yes, Mr. Speaker. I have received reports from Canada's permanent representative on the NATO council about the meeting which was held in Paris this morning with the foreign ministers of the United Kingdom, France and the United States to review the situation we face as a result of the failure of the summit meeting.

I think all members of the house would be interested, Mr. Speaker, if I were to read the communiqué which was issued at the conclusion of this morning's meeting. This is the communiqué:

> The permanent council of NATO met in Paris on May 19 and heard statements from the foreign ministers of France, United Kingdom, and the United States on the events which prevented the holding of the summit conference.
>
> In the communiqué published at the end of its meeting in Istanbul, the Atlantic council welcomed the prospects of negotiations with the U.S.S.R. and expressed the hope that these negotiations would lead to an improvement in international relations.

[Mr. Diefenbaker.]

> Reaffirming the complete solidarity of the countries of the alliance it fully approves the statement of the three heads of state or government in which they—

And here they are quoting from the statement which was issued by the three western leaders.

> —"remain unshaken in their conviction that all outstanding international questions should be settled not by the use or threat of force but by peaceful means through negotiation" and "remain ready to take part in such negotiations at any suitable time in the future".

The permanent representatives of the various member nations on the NATO council will, of course, be reporting back to their governments in order that instructions may be received as to the further course to be followed.

DISARMAMENT—INQUIRY AS TO NEXT 10-MEMBER COMMITTEE MEETING

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask a supplementary question. In view of the statement made by Chairman Khrushchev that the Soviet union would continue to participate in disarmament discussions, can the Secretary of State for External Affairs say what is the timetable for that 10-power meeting on disarmament?

Hon. Howard C. Green (Secretary of State for External Affairs): The meetings of the 10-member disarmament committee were adjourned until June 6. So far as I know they will be reopened on that date. This course will be very much in line with Canada's wishes, and we shall do what we can to try to obtain some favourable results from the meetings of the disarmament committee.

PUBLIC SERVICE

REPORTED FINGERPRINTING OF CIVIL SERVANTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Public Works. I have been asked to address it to him because I understand that for some reason or other he has some responsibility in this matter. I do not know whether it is because he has responsibility for the epidermis of statues. Has the government decided to fingerprint civil servants as a general practice?

Hon. D. J. Walker (Minister of Public Works): One of the newspaper reporters who probably asked the hon. member to ask this question also asked me the same question yesterday. I may say that so far as the Department of Public Works is concerned we have

nothing to do with this matter. It is something which was decided some time ago by the civil service commission, and I believe they have already fingerprinted employees in several departments. I believe that at the present time they are working on one of the categories in the Department of Public Works. Does that answer the question?

Mr. Herridge: May I address a supplementary question to the Secretary of State, and ask him the reason for this policy now in operation of fingerprinting all civil servants?

Hon. Leon Balcer (Acting Secretary of State): I will inquire into the whole matter and report tomorrow.

NATIONAL DEFENCE

BOMARC MISSILE—REQUEST FOR STATEMENT ON TESTS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wish to address a question to the Associate Minister of National Defence. In view of reports that yesterday the minister criticized the accuracy of the press and/or reporters with regard to the Bomarc missile, would the minister consider giving us a full and accurate statement on the Bomarc now, since we may be unfairly prejudiced by the alleged inaccuracies?

Hon. Pierre Sevigny (Associate Minister of National Defence): I did not criticize the attitude of the press in connection with the Bomarc. I simply mentioned that possibly too much play was given to the failure of certain trials of the Bomarc and not enough play to the eventual success which was achieved in the recent trials of the weapon.

As to the latter part of the hon. member's question, I shall be pleased to give him a full report on the Bomarc trials in due course.

(Translation):

NATIONAL DEFENCE

C.M.R.—PROTEST OVER PROPOSED DEMOLITION OF HISTORIC BUILDING

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). Has the minister received a letter from "La Société Saint-Jean-Baptiste" of St. John, pointing out that an historical building on the grounds of the St. Johns Military College is about to be torn down?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I shall inquire of my officials about this matter. It could be that such a letter reached my office during my absence on my recent trip to Europe. In any case, I shall look into this matter and report later on.

(Text):

ROYAL CANADIAN AIR FORCE

REPORTED IRREGULARITIES AT AIR MATERIEL COMMAND

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence, of which I have given him notice. Will the minister make a statement to the house with respect to a story in last night's Toronto *Daily Star* reporting alleged irregularities at the R.C.A.F. air materiel command?

Hon. G. R. Pearkes (Minister of National Defence): I thank the hon. member for having given me notice of his intention to ask this question. A board of inquiry has been investigating alleged irregularities at the R.C.A.F. air materiel command, but the findings of the board are not yet available and, in consequence, it would not be appropriate for me to say anything further at this time.

Mr. Hellyer: Can the minister tell us whether there was an earlier board of inquiry, early in 1958, and if so what did that earlier inquiry disclose?

Mr. Pearkes: There was no inquiry in early 1958 into the matter which is now under investigation.

HOUSING

REQUEST FOR REPORT ON MEETING WITH NATIONAL HOUSE BUILDERS

On the orders of the day:

Mr. J. R. Garland (Nipissing): I wish to address a question to the Minister of Public Works. Has the minister any information to give the house with regard to his reported meeting with the National House Builders Association?

Hon. D. J. Walker (Minister of Public Works): Yes. I am looking forward very much to meeting representatives of the National House Builders Association in my office after orders of the day.

BUSINESS OF THE HOUSE

IMMIGRATION ACT—INQUIRY AS TO REVISION THIS SESSION

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to address a question to the Minister of Citizenship and Immigration. In the light of statements made outside this house as to the

urgency of amending the Immigration Act, can the minister say whether amendments will be brought forward at this present session?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I have answered that question three times already this session but I am still unable to give a definite answer.

Some hon. Members: Oh, oh.

Mrs. Fairclough: I should probably explain that that is my Dutch blood coming out.

POWER

COLUMBIA RIVER—POSTPONEMENT OF U.S.-CANADIAN MEETING

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Minister of Justice whether he will comment on the report in this morning's press from Washington that the United States-Canadian meeting on the joint development of the Columbia river basin, scheduled for today, has been postponed because, according to officials there, the Canadian delegation has requested more time to prepare.

Hon. E. D. Fulton (Minister of Justice): A meeting had been scheduled to start today and to continue on Friday and Saturday. We asked Washington whether in view of the necessity of preparing facts and figures and co-ordinating the studies made on this side of the border with those of an international work group, and for other reasons, the meeting might be postponed. I am hopeful it will be possible to hold the meeting on Monday, Tuesday and Wednesday of next week.

PUBLIC WORKS

PRINCE EDWARD ISLAND CAUSEWAY—STATEMENT ON REQUEST FOR PROGRESS REPORT

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the hon. member for Prince (Mr. Phillips) yesterday asked this question: "Has the minister any progress to report on the Prince Edward Island causeway study?"

In reply to this question may I say that you will recall, Mr. Speaker, that some time ago a study was undertaken by the federal government with respect to the possibility, from an engineering viewpoint, of constructing a causeway between Prince Edward Island and the mainland. This study, which has been most complex in nature, has involved several departments of government including the departments of fisheries, transport, and mines and technical surveys, and it has been co-ordinated by the Department of Public Works. I felt that hon. members would be interested in having an interim report on developments up to this time.

An hon. Member: Speak louder.

Mr. Walker: I will. This investigation has involved five major studies—

Mr. Speaker: Order. If the minister has in mind making an extended answer, as I conclude he may, having regard to the papers he holds in his hand, then I think it should be by leave of the house. That is what I think should be done since the answer would seem to me to go beyond the normally concise answer which the rules of the house call for. Does the house give the minister leave to read this answer?

Some hon. Members: Agreed.

Mr. Pickersgill: I think we should be told whether this is a rehash of the document which has already been given to the press, because if it is I see no reason for cluttering up *Hansard* with it.

Mr. Walker: I have not compared this rehash with the alleged document to which the hon. member refers. This will take about three minutes.

Mr. Speaker: Has the minister leave to complete the statement?

An hon. Member: No.

Mr. Speaker: I hear an objection to the minister going beyond the normal limits. Perhaps the minister will therefore make his answer as concisely as the rules require.

Mr. Walker: Thank you. This investigation has involved five major studies, namely a tidal survey, a shore line survey, a survey of remedial works, a survey of ice conditions and a consultant's study of design alternatives for the crossing. I will try to summarize this report to a greater extent than it is already summarized here.

The tidal survey was basic to the other studies and predicted the effect on tidal ranges in the strait which would result from the construction of a full causeway. This study indicates that the division of the strait into two gulfs by the construction of a full causeway would create a great change in water levels on either side of the causeway and throughout the strait.

The shore line and remedial works surveys were undertaken in those areas which the tidal survey indicated as being affected by the change in tidal conditions. The shore line indemnities which covered buildings and other

foreshore properties, including land, were estimated at about $3 million. The remedial works, including reconstruction or raising of existing wharves and harbour facilities, reconstruction of highways and bridges, as well as dredging and shore line protection, were estimated at about $13 million. That is just for that small item.

The study of sea ice conditions provided information for design—perhaps the hon. member who wanted this report would at least listen as I read it.

Mr. Pickersgill: I rise on a question of privilege. I showed great restraint, I think, a while ago when the hon. gentleman chose to be very insulting in his references to me. But I was listening intently, and I was one of the few members of the house who were listening intently.

Some hon. Members: No.

Mr. Pickersgill: It seems to me that the remark the minister has just made is completely uncalled for and should be withdrawn.

Mr. Walker: All I can say, Mr. Speaker, is that obviously the hon. member for Bonavista-Twillingate listens with his mouth open.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I respectfully request that you use your authority to prevail upon the hon. member who is speaking so that if he cannot conduct himself like a minister of the crown he might at least speak like an adult.

Mr. Walker: Mr. Speaker—

Mr. Speaker: Order. I think the minister has gone as far as the practice would permit, and I ask him not to continue with his answer.

Mr. Walker: Mr. Speaker—

An hon. Member: Shut your mouth.

Some hon. Members: Withdraw.

Mr. Grafftey: On a question of privilege, Mr. Speaker—

Mr. Speaker: Order. Perhaps the minister did not hear what I said. The house has been indulgent in permitting a rather lengthy answer, and I think in the circumstances the minister should not continue with the answer he is reading.

Now, was there a question of privilege that the hon. member for Brome-Missisquoi wanted to raise?

Mr. Grafftey: It is all right, Mr. Speaker.

Inquiries of the Ministry

TRADE AND COMMERCE

SMALL BUSINESS BRANCH—STATEMENT ON INQUIRY AS TO BILINGUAL EMPLOYEES

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for St. Jean-Iberville-Napierville asked this question:

Is the minister aware that, in the small business branch, not a single employee can speak or understand French?

The hon. member's information is not correct. One member of the small business branch speaks and understands French.

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): A supplementary question, Mr. Speaker. Could the minister give the name of that one employee?

Mr. Churchill: I will obtain the name for the hon. member.

Mr. Dupuis: A further supplementary question, Mr. Speaker. Would the minister tell the house how many employees there are in the small business branch, which employs only one French Canadian?

Some hon. Members: Order paper.

Mr. Speaker: If the minister has the information he may proceed, but ordinarily a question of that kind would need to go on the order paper, as it calls for statistical information.

LABOUR CONDITIONS

UNEMPLOYMENT—ALLEGED DELAY IN RELEASING STATISTICS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Trade and Commerce or the Minister of Labour whether they can offer any explanation as to why the monthly release of the statistics on unemployment which is due today has not been made?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, there is no set date for the release of the dominion bureau of statistics labour force survey. It is usually released around the 20th but it is sometimes released on the 21st, 22nd or 23rd, as I think will be found from an examination of the dates of the releases month by month. There is no definite date for the release.

Mr. Martin (Essex East): A supplementary question, Mr. Speaker. Will the minister indicate the last time such figures were not released by the 19th of the month?

Inquiries of the Ministry

Mr. Starr: Mr. Speaker, the hon. member has asked a question that should be looked into and certainly has to be looked into, in order to prove how utterly wrong the hon. gentleman is.

FLOODS

TIMMINS, ONT.—STATEMENT ON REQUEST FOR FEDERAL FINANCIAL ASSISTANCE

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I wonder whether the Prime Minister could answer the question he took as notice yesterday.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the hon. gentleman asked whether a request had been received from the Ontario provincial government for financial assistance in the rehabilitation of the victims of the Mount Joy flood. The answer is that there is no record in my office of such a request having been received.

CIVIL DEFENCE

SUGGESTED CO-ORDINATION OF EMERGENCY MEASURES

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the minister's statement to the house yesterday that a new organization to be known as the national emergency telecommunications organization is to be set up under his direct control, and in view of the fact that there will now be five ministers responsible for emergency plans, can the minister say whether the government plans to establish one unified organization to co-ordinate all aspects of civil defence?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I was speaking yesterday about the matter of telecommunications, and the statement I made is, I think, very easy to understand.

UNEMPLOYMENT INSURANCE

INSTRUCTIONS RESPECTING RELEASE OF FIGURES TO MEMBERS OF PARLIAMENT

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to ask the Minister of Labour whether he is now in a position to reply to the question I addressed to him yesterday.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, yesterday the hon. member for Gloucester asked a question in these words:

[Mr. Martin (Essex East).]

> Can the minister inform the house whether instructions have been issued to the unemployment insurance commission not to divulge to members of parliament unemployment figures available from local or regional offices in their respective areas?

In reply I said that no such instructions had been issued by me and I knew of no instances where hon. members of parliament have been refused unemployment figures. The hon. member for Essex East followed with a supplementary question in the following language:

> Has the Minister of Labour given any instructions to the unemployment insurance commission or to any government servant that members of parliament are not to be supplied with information that it has always been regarded as a right of the representatives of the people to have?

In reply I stated:

> On the contrary, I have relaxed the practice that had been in force under the previous government.

My reply at this time will be somewhat lengthy and rather detailed. It may be that Your Honour will be of the opinion that my reply is too lengthy to give in answer to a question. If that is the case I would request that I be allowed to deal with this as a question of privilege. The hon. member for Essex East has asked a question which, if it is not answered fully, will leave the impression that I have taken steps to restrict or infringe the privileges of the members of this house. The wording of his question relates to information which he says is regarded as a right of the members of this house. I feel, therefore, that a matter of privilege may be implied here; and the matter is of such importance that it cannot be answered by a simple negative.

Yesterday both the hon. member for Gloucester and the hon. member for Essex East asked me questions about the release of information to members of parliament by the unemployment insurance commission. I have already stated what the hon. member for Gloucester asked, and in reply I said at the time that no such instructions has been issued by me. I feel that I should add that my office has made it known to both regional and local managers that members of parliament are to be supplied on the local level with whatever information is available regarding employment or unemployment in their areas, regardless of the political affiliation of that member. For example, I recently wrote to the managers of the unemployment insurance commission offices at Port Arthur and Fort William in these words:

> It would be appreciated if you would supply Mr. D. M. Fisher, M.P., with the figures he requested.

At the same time I should point out that when members of parliament in Ottawa request information from individual employees of the commission, these figures are made available and this information is cleared through my office. I can assure the house that there is nothing new in this practice and I think the reason will be readily understood. I do not think any hon. member would suggest that it would be good administrative practice or in the best interests of the members themselves to have a situation where individual employees of the commission were issuing figures and other information over the telephone on their own authority, particularly in the case of figures or other information which might not yet have been made available to the minister's office.

Let me repeat, Mr. Speaker, that any member of this house will be given whatever information he requests, provided that the information is available and that it is not of a confidential or privileged nature. I would also point out that there are certain recognized procedures and practices of this house which can be followed and which are available to any member in the obtaining of information from the government.

The hon. member for Essex East, in his supplementary question, opened up the general field of information to be supplied by the unemployment insurance commission, when he asked whether I had given instructions that members of parliament were not to be supplied with information which has always been regarded as their right. I am surprised that the hon. member for Essex East, knowing my respect for parliament and for the privileges of members, should have asked that question. I want to provide him with an answer, Mr. Speaker, and in order that there may be no doubt in the minds of hon. members, regardless of where they may sit in the house, I feel that my answer should be as full and complete as possible.

It was brought to my attention in December of 1959 that certain instructions had appeared in the official manuals of the unemployment insurance commission which would have the effect of limiting the availability of information to members of parliament, whether in the provincial or federal legislatures, who were seeking information on behalf of their constituents. I felt that this was an undesirable limitation which was being placed upon members of parliament in carrying out their duties, and I immediately wrote to the commission informing them of my views in this matter.

I do not wish to take up the time of the house unnecessarily, but I feel I should quote briefly from that letter in order that there may be no doubt in the minds of hon. members as to my views. I wrote as follows:

> I question the wisdom of this decision. In my opinion, members of the legislative assembly should be afforded every possible courtesy in the offices of the unemployment insurance commission in the same manner as a federal member of parliament.

I went on to say:

> When a member of the legislative assembly inquires about a particular case, it is not idle curiosity; it is because he feels that he has an obligation to undertake such action on behalf of his constituents. I feel that any information which would assist a member of the provincial parliament in this objective should be made available to him with all promptitude and courtesy.

It is hardly necessary to say that I hold the same views in regard to members of this house, and that the commission was made aware of those views very early in my administration.

On January 19 I received a letter from the commission explaining why they felt that these restrictions were justified, and I replied on January 20. In my reply I dealt with the situation as it relates to both provincial and federal members of parliament. I would ask the indulgence of the house to refer very briefly to one or two paragraphs in this letter. This is what I wrote on January 20:

> I do not see how anything in section 98 could under any circumstances be construed as granting authority for a directive against giving out information to members of parliament.
>
> If there is such a directive, I think it should be rescinded.

On February 4 I was informed by the commission that the instructions had been amended to give effect to the views I had put forward, and to make information available to members of both federal and provincial parliaments who were inquiring on behalf of their constituents. I was also informed that a minute of the commission authorizing the restrictions referred to had been cancelled and that all officers were being advised accordingly.

I am sorry, Mr. Speaker, to have taken up so much time of the house, but I feel that this is an important matter, reflecting to some extent on the privileges of hon. members, and as such it was proper to deal with it fully.

FEDERAL-MUNICIPAL CONFERENCE

INQUIRY AS TO CONSIDERATION OF MUNICIPAL REPRESENTATIONS

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 report progress on the serious and continuing consideration which

last year he assured the annual meeting of the association of Canadian mayors and municipalities was being given to their representations.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, if the hon. member would be more specific about what particular feature of the representations of that association he has in mind I should be glad to endeavour to answer his question.

Mr. Regier: Mr. Speaker, what I had in mind was that the association of mayors and municipalities made a number of recommendations to the Prime Minister at a meeting in North Bay, which was attended by the Prime Minister. He assured them that he would give their recommendations serious and continuing consideration. All I am asking for is a progress report at this time.

Mr. Fleming (Eglinton): Mr. Speaker, of course when the Prime Minister says that serious consideration will be given to anything, serious consideration is given to it. I think it would be more appropriate if I made a suggestion to the hon. member. He has already indicated that a number of matters were dealt with by the association in its representations. If he would indicate what particular ones he is interested in we shall do our best to give him information on the specific questions.

Mr. Regier: In other words there is no progress.

ARTS, LETTERS AND SCIENCES

CANADA COUNCIL—INQUIRY AS TO CONTRIBUTION TO TOUR OF ST. JOSEPH'S UNIVERSITY CHOIR

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I have a question for the Secretary of State. I understand it may have to be directed to the Minister of Northern Affairs and National Resources. Can the minister inform the house whether the Canada Council has contributed a grant to the trans-Canada concert tour now being undertaken by the internationally famous St. Joseph's University choir, whose visit to the capital and presence in the galleries this afternoon is a tribute to the spirit of music?

Hon. Leon Balcer (Acting Secretary of State): Mr. Speaker, unfortunately the Canada Council does not come under my jurisdiction, but I should like to associate myself with the hon. member for Gloucester in welcoming this famous choir to Ottawa.

[Mr. Regier.]

PUBLIC BUILDINGS

MINES AND TECHNICAL SURVEYS—INQUIRY AS TO COST OF BUILDING

On the orders of the day:

Mr. M. L. McFarlane (Kootenay East): Mr. Speaker, I should lke to direct a question to the Minister of Public Works. Can the minister advise the house as to the cost of the new mines and technical surveys building at the corner of Booth street and Carling avenue, Ottawa, which was opened by the Minister of Mines and Technical Surveys (Mr. Comtois), last evening?

Hon. D. J. Walker (Minister of Public Works): I want to thank the hon. member for giving me notice of the question. In reply I would say that the mines and technical surveys building was opened last evening by my colleague the Minister of Mines and Technical Surveys. It will be known as the geological survey building. It was built by the Department of Public Works and is one of a complex of buildings in that area for the Department of Mines and Technical Surveys. The total cost of the building is expected to be approximately $6,346,560.

Mr. McFarlane: I have a supplementary question for the Minister of Public Works. In view of this expenditure of well over $6 million, is there any reason why air conditioning was not included in this building?

Mr. Walker: Air conditioning was not provided in this building because at the time it was designed it was not in the regular course of events to do so. Also it would cost an additional sum in excess of $1 million. However, the hon. member will be glad to learn that certain laboratories in the building are air conditioned as the result of special representations made by the Department of Mines and Technical Surveys.

SUPPLY

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

INTERIM SUPPLY

Mr. Fleming (Eglinton) moved:

Resolved, that a sum not exceeding $600,946,640.92 being the aggregate of

(a) one sixth of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1961, laid before the House of Commons at the present session of parliament, $593,558,978.34;

(b) seven twelfths of the total of the amounts of items 64 and 95 of the said estimates, $350,000;

(c) one third of the total of the amounts of items 137 and 267 of the said estimates, $565,070;

(d) one twelfth of the total of the amounts of items 193, 194, 195, 197, 199, 203, 207, 208, 213 and 303 of the said estimates, $1,472,592.58;

(e) one third of the total of the amount of the item set forth in the supplementary estimates for the fiscal year ending March 31, 1961, laid before the House of Commons at the present session of parliament, $5,000,000,

be granted to Her Majesty on account of the fiscal year ending March 31, 1961.

The Chairman: Shall the resolution carry?

Mr. Fleming (Eglinton): Mr. Chairman, in this resolution approval is sought of a vote of sums aggregating $600,946,640.92 designed to provide for the expenses of government for the months of June and July. This sum includes one sixth of all items in the main estimates and one third of the one item in the supplementary estimates. It also provides additional amounts for 14 specially designated items, each of which relates to some program or payment that is not capable of being distributed throughout the year purely on a prorata basis month by month. These items relate chiefly to programs which are concentrated in the summer months.

I point out, Mr. Speaker, that no item will be completely voted if the present resolution is approved, and the full right of hon. members to debate these items in committee of supply accordingly remains, save in so far as several items have already been approved in committee of supply. I offer to the committee, Mr. Chairman, the time-honoured undertaking, given with a view to avoiding repetition of debate when the items are under consideration seriatim in the committee of supply, that the passing of this bill will not prejudice the rights and privileges of members to criticize any item in the estimates when it comes up for consideration in committee of supply, and the usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

Mr. Deschatelets: Mr. Chairman, my remarks have to do with Canada's failure to win the 1967 world's fair. This is a dream or vision which has caught the imagination of Canadians in recent months, and here is a sample of the great illusion we had, as shown in an editorial in the *Globe and Mail* of February 12, 1960:

A great event the Montreal world's fair will be; gay and handsome and exciting it will be, if we know that cosmopolitan city. Montreal has no lack of imagination and talent; nor any lack of hospitality. A world's fair will give it the chance of a lifetime, the chance of a century, to put itself and Canada on the map.

There will not be a world's fair.

Mr. Fleming (Eglinton): Would the hon. member permit me to ask him if he does not think it would be more appropriate, instead of raising this matter on a motion for the granting of interim supply, to bring it up on the estimates, for instance, of the Postmaster General, as he was the minister principally concerned in the effort to bring this world fair to Montreal? The business announced for the house for today and tomorrow, Mr. Chairman, as you will recall, contemplates that the house will be asked to continue its study of estimates in committee of supply, and following the Department of Agriculture the next department whose estimates are to be called is the Post Office Department.

Mr. Pickersgill: Mr. Chairman, I think the hon. member for Maisonneuve-Rosemont would be very ill-advised to accept the suggestion of the Minister of Finance since this matter has, of course, nothing whatever to do with the Post Office Department and it would be Your Honour's unhappy duty to rule the hon. member out of order if he sought to raise the matter in that connection. Moreover, sir, this is a matter which obviously is costing the treasury some money in the year 1960-61, because I do not imagine that the Postmaster General, the Associate Minister of National Defence and the other persons who went to Paris went there at their own expense. Therefore there can be no question that the matter is comprehended within the estimates now before us. It is of the greatest possible current interest and, although I respect the desire of the Minister of Finance not to have matters which could be raised on the ordinary consideration of the estimates brought up at this time, it seems to me it is of such current interest that it is perfectly right for my hon. friend to go ahead.

Mr. Fleming (Eglinton): Mr. Chairman, may I also remind the hon. member for Maisonneuve-Rosemont that if he has something to raise as a grievance there will be an opportunity on Monday next on the motion to resolve the house into committee of supply.

Mr. Martin (Essex East): It must be left to each member to determine his course of action.

The Chairman: The last time we had a motion for interim supply I think I gave my views on the proper course of debate on such a motion. Of course I do not want to rule any subject out of order unless there is formal objection. If there is agreement on both sides to discuss certain matters, I can see no objection. But I have already indicated that I could not see how the standing orders could permit a discussion of any subject, because in my opinion this is not a proper time to raise grievances. The standing orders provide for such opportunities. Now, if there is

agreement that the hon. member can discuss this matter, I have no objection. However, if I am forced to give a ruling I shall do so—

Mr. Pickersgill: Before you do that—

The Chairman: I will not do that, but I said if I am forced to give a ruling I will give my views on the subject because I have considered the matter since the last occasion on which it was raised.

Mr. Pickersgill: I should like to point out that my hon. friend said nothing whatever about bringing forward any grievance. What my hon. friend is discussing is an expenditure which has already been made by the government, very evidently made by the government, and the minister is now asking us to vote money to expend in connection with this precise matter. What the hon. member is seeking to do is to dicuss whether or not the committee is to approve this particular expenditure, which is in the fraction of the total expenditures for the year or part of it for which the Minister of Finance is asking.

Mr. Fleming (Eglinton): What the hon. member for Bonavista-Twillingate just now said compels me to raise a question of order. I had not done that up to the moment he rose. If what the hon. member for Maisonneuve-Rosemont wishes to discuss is an expenditure already made, then that makes it clearly out of order, because what is sought here is a vote of money for the next two months, the months of June and July. This does not relate at all to expenditures already made. The hon. member for Bonavista-Twillingate has made it quite clear that the subject now raised by the hon. member for Maisonneuve-Rosemont relates to expenditures hitherto made.

Mr. Pickersgill: I said part of it had already been made. As the Minister of Finance very well knows, all he is asking for is a fraction. The minister knows as well as I do that the formal reservation of our constitutional rights, which he very solemnly read out a few minutes ago, does reserve all those rights so far as current expenditures in the current fiscal year are concerned. I concede that it would be quite wrong to discuss some expenditure made in the fiscal year now closed, but this is an expenditure being made at the present time. It is a continuing process throughout the year. The money is taken out of some vote; I do not know which vote, but it is obviously taken out of some vote. Surely, therefore, it is completely within the competence of the representatives of the taxpayers here, who are being asked to vote the money, to discuss whether or not is should be voted.

[The Chairman.]

The Chairman: What is the view of the committee? In their minds is there any limitation to the discussion in circumstances like these? Is it a fact that any subject that may have any relevance to an item of the estimate is in order?

Mr. Martin (Essex East): Discussion in unlimited.

The Chairman: Is it unlimited? I should like to hear the views of the committee on that.

Mr. Pearson: It has certainly become well established over the years that on this motion for interim supply members have a right to discuss every subject concerning any estimate or any appropriation. In other words they have a right to discuss any subject which they could discuss under the estimates of a department. The minister will certainly accept that interpretation of the rules, because he will remember very well that in 1956, on a motion for interim supply, there was a debate on the conduct of the Speaker which extended for hour after hour. The only justification under the rules for that debate was that there was an item in the estimates covering the salary of the Speaker.

The minister will also remember that in 1957 he took some six pages of *Hansard* on this kind of motion to discuss a matter which had no direct relevance to any particular item, but which was considered to be in order. That is all we are endeavouring to do at this time, to carry out a well established rule of the House of Commons which permits us to bring up matters of expenditure in the way my hon. friend is trying to do now.

Mr. Regier: If I may speak to this point of order, I should like to point out that on a motion for interim supply in the year 1957 Messrs. Knight, Knowles, Fleming, Stewart, Hees, Hamilton (Notre Dame de Grace) and Diefenbaker spoke. In addition, Mr. Ellis spoke on bulletin No. 10 which related to the Department of National Revenue, and Mr. Diefenbaker spoke on the question of keeping open the customs port of West Poplar, Saskatchewan.

On a motion for interim supply in 1956 the then leader of the opposition spoke in regard to pipe lines. Mr. Knowles spoke; Mr. Drew also spoke on the subject of reform of the other place; Mr. Knowles spoke on closure; Mr. Blackmore spoke on the Bank of Canada; Mr. Hees spoke on pipe lines; Mr. Diefenbaker spoke on Right Hon. Mr. Howe's radio speech; Mr. Cameron spoke; Mr. Barnett spoke on fishing and combines; Hon. William Hamilton spoke—he was not "honourable" then—on the tax on

magazines; Mr. Dinsdale spoke on the Fontana expropriations; Mr. Zaplitny also spoke on that subject matter. On July 25 of that year Mr. Knowles spoke on the Canadian National Railways work contracts.

In the year 1955 there were no debates on any of the interim supply motions. However, on a supply motion in 1953-54 Mr. Macdonnell spoke, and the leader of the opposition also spoke on the chief justice of Newfoundland in connection with the implementation of the Criminal Code. I feel that this is a time when any hon. member has the right to speak on anything connected with any expenditure that is made by any department of the government.

The Chairman: As I said, I have not given any ruling. Does the minister insist that the Chair rule on this point?

Mr. Fleming (Eglinton): I did not raise any point of order at first. I asked the hon. member for Maisonneuve-Rosemont a question, and I indicated to him that there are opportunities for raising, at what I consider the appropriate time, the subject that I understood he was proceeding to discuss. It was only when the hon. member for Bonavista-Twillingate rose and said that this related to an expenditure that had been made—

Mr. Pickersgill: Part of it had been made.

Mr. Fleming (Eglinton): No, when he spoke he said the expenditure had been made. I pointed out that this would take it out of the scope of this resolution, because this had to do with moneys that had not, as yet, been expended. On this motion we do not discuss past expenditures, we discuss the voting of money for future purposes. After the time that was spent discusssing the proper scope of discussion on a motion for interim supply during the last such motion, at the end of March, I am sure no one in this committee wishes to revive a general discussion on that subject.

The point I was compelled to raise was based upon the statement by the hon. member for Bonavista-Twillingate. If this is simply a matter of discussing an expenditure that has been made hitherto, then it is not proper on a motion which relates to the voting of money for future needs.

Mr. Pickersgill: Just to clear up the point may I say this. It is a well-known rule of the House of Commons that the word of an hon. member as to what he has said is accepted. I said that part of this expenditure had already been made. I did not say the whole expenditure had already been made, because it so obviously has not been made.

Mr. Fleming (Eglinton): The hon. member said that the second time, but not the first time.

Mr. Pickersgill: I said in one sentence something as to the expenditure having been made, and I said part of it has already been made. Surely the minister is not going to say that if X dollars out of an amount that has not yet been voted by this committee has already been spent by the government as a result of interim supply, that vote is closed. He told us the exact opposite in his statement of our constitutional position. I agree with the minister that we should get on with the discussion and not discuss the rules. I will therefore not say anything further.

Mr. Deschatelets: Since I do not know of a better time than today, at which to raise this matter, Mr. Chairman, with your permission I will continue my remarks. Before going on with them, however, I wish to express the hope that the time taken by this discussion will not be included as part of my allotted time.

There will not be a world's exhibition in Montreal in 1967. The question now arises as to what happened to deprive us of a feast so well earned by all Canadians for this centennial year of confederation. In other words, where lies the responsibility for such spectacular and disappointing failure or blunder in Paris on May 5? This is a question I will try to examine in as many aspects as possible in the relatively short time at my disposal.

At the outset, let us recall that the city of Montreal was pledging $5 million of its own in this project, the Quebec government $15 million, and that the federal government had promised to add $20 million in order to provide for a grand total of $40 million.

On February 8, 1960, at the inaugural meeting of the provisional national committee of Canada's centennial, the Montreal bid and proposal was approved by the Canadian government and was approved by all parties in the House of Commons later on. This was therefore a national proposition under the direct and immediate responsibility of the government, as we can see if we refer to page 918 of *Hansard* of February 10, 1960:

> The cabinet has approved the appointment of the Postmaster General as the minister to represent the government in relation to the plans for this project.

Hon. members will recall that on March 8, in Paris, the U.S.S.R. prevented a vote as between Canada and Austria, and how it was agreed to postpone a deciding vote to May 5,

1960. But before going any further I should like to put on *Hansard* a few articles from a book entitled "Dominion of Canada Treaty Series," 1934, more especially from the chapter entitled "Convention Relating to International Exhibitions" agreed in Paris, November 22, 1928 by 31 countries including Canada. Let us read articles 35, 36 and 39.

Article 35

(a) At any time after the coming into force of the present convention any non-signatory country may accede thereto.

(b) Such accession may be effected by a notification in writing transmitted through the diplomatic channel to the French government. Such notifications of accession shall be deposited in the archives of that government.

(c) The French government shall transmit immediately to the governments of all signatory and acceding countries certified copies of any such notifications, showing the dates on which they were received.

Article 36

The present convention shall come into force, in respect of the countries which have taken part in the first deposit of ratifications, one month after the date of the procès-verbal thereof. In the case of countries which ratify subsequently or accede thereto, and in respect of colonies, protectorates, overseas territories and territories under suzerainty or mandate not included in ratifications, the convention shall take effect one month after the date of receipt of the notifications provided for in articles 33, paragraph (d); 34, paragraph (b); 35, paragraph (b) ...

Article 39

The government of the French republic shall communicate to the international bureau copies of all ratifications, accessions and denunciations.

If Russia was not a member of the international bureau before February, 1960, having in mind the provisions of articles 35, 36 and 39 it would be most interesting to know exactly at what date the notification of Russia was received by the French government and then filed with the international bureau. We would therefore be able to appreciate what was the delay that elapsed between the notification by Russia of membership and March 8, which was the date fixed for the deciding vote as between Canada and Austria.

The reason for this is obvious. If we refer to the official letter from the U.S.S.R. ambassador in Paris to the international bureau, we note that this letter is dated February 26, 1960. I hold in my hand a copy of this letter which was printed in *La Presse* in its edition of March 15, 1960. It reads as follows:

Paris, February 26, 1960.

(Translation):

International Exhibitions Bureau.

This letter is over the signature of the Russian ambassador.

I am instructed to inform you that the government of the Union of Soviet Socialist Republics intends to organize the next universal exposition of the first category in 1967 in Moscow, capital of the Soviet union.

[Mr. Deschatelets.]

The Soviet union is in a position to organize and hold an exhibition of a high and proper standard, strictly in accordance with the provisions of the 1928 Convention relating to international exhibitions.

The government of the Soviet union expresses the hope that the holding of the universal exhibition for the first time on U.S.S.R. territory will constitute an important step toward the subsequent development of international co-operation and mutual understanding between all nations.

Since the government of the Soviet union intends to start preparing at once for this international event, it would be grateful if governments of the 1928 convention contracting countries were immediately informed of the Soviet government's plan and if the 1967 universal exhibition in Moscow was duly registered by the international bureau.

I should be obliged to you for acknowledging receipt of this letter.

(Text):

According to information I could gather from press reports, Russia argued that her application should be entertained on March 8 because this application was made within a period of six months after the first official application of Austria, which was filed in November, 1959. Again, after examining the contention of the U.S.S.R. and the provisions of this constitution on international fairs, I fail to see in the constitution any ground sustaining such contention. At any rate, Russia became a competitor on February 26, 1960 and it would be interesting to know why the Canadian people were not notified of this development until March 8 when this was announced in *La Presse* and we were told that Moscow was now in the competition to obtain this international exhibition.

You will recall, Mr. Chairman, that according to the provisions of the constitution, article 29, which I read a few minutes ago, it is laid down that notification of accessions is to be filed with the international bureau by the French government. Thus, this application from Russia late in February should not have been overlooked by the Canadian government.

Let us deal at this point with the deciding factor—the vote taken on May 5. We all know that on March 8 there were 23 countries—members of the international bureau—with the right to vote. The Canadian Press received, apparently on or around April 25, 1960, the astounding news that seven iron curtain countries had joined the international bureau and would have the right to vote on May 5. This was astonishing news for the Canadian public as a whole, but it should have been no surprise to the Canadian government if members of the government had been on their toes. Had they studied a very peculiar paragraph on page 15 of the constitution under the heading "protocol of signature", I submit the Canadian government might have found there

in black and white the pattern followed by the U.S.S.R. even though this protocol was signed as long ago as 1928. I quote:

> The delegation of the Union of Soviet Socialist Republics declares that, in the application of the provisions of article 4 of the convention, whereby an interval of at least five years must elapse between two special exhibitions of the same kind organized in the same country, the government of the Union of Soviet Socialist Republics reserves the right to regard as separate countries the six republics members of the union—

There follows the names of the republics which Russia claims should be recognized as entities, each having the right to vote.

It would therefore be interesting to know:

1. What is the date of the application of each of the seven iron curtain countries for membership in the bureau as shown in the files lodged with the French government?

2. At what date were the seven notifications transmitted through the diplomatic channel of the French government to the international bureau, and when was Canada informed of the same?

3. Did the Canadian government check to see whether in respect to the seven iron curtain countries the provisions of the constitution had been strictly adhered to?

If the right to vote of these seven iron curtain countries was justified—which I doubt—then another question is raised, namely why did we not do the same? We must not forget that between February 26, the date of the entrance of Russia, and May 5, the date of the deciding vote, there was ample time in which we might have persuaded friendly countries to join the bureau, and any suggestion that the Canadian government was taken by surprise is not supported by the facts. In this connection I wish to quote an editorial which appeared in the *Gazette* of May 6, 1960:

> In fact, Russia herself was not a member of this organization until three months ago; she entered in February. But once she decided to come in, she was determined to have what she was seeking. For this reason she made the necessary arrangements—all quite legally—to bring into the bureau seven of the nations of the Soviet bloc. They are Czechoslovakia, Hungary, Poland, Roumania, Bulgaria and the two Soviet republics of Byelorussia and the Ukraine.
>
> It is an old technique—as old as the hills. It is the method of joining some organization and bringing your supporters in with you.
>
> If Canada failed in these negotiations in Paris, she failed because she did not counter Russia's move. As this was a tough game, perhaps it ought to have been played more toughly.
>
> As Canada's Department of External Affairs had some part in the matter, it was in a position to supply information on Russia's plan to bring in her seven voters. Perhaps such information was given by the department but was not acted upon. For Canada might well have persuaded other countries of the non-Communist world to enter also.
>
> There are many such countries. They are even to be found within the commonwealth: Australia is one.

We have been outmatched and outguessed, and what surprises me most is the fact that on March 11 we had been warned by no other than his worship, the mayor of Montreal, that if we wished to succeed more planning was necessary and urgent. While I am on the subject, may I recall that we were also informed in March through reliable sources, namely, the representative of Belgium, that the official application submitted on behalf of Canada was not acceptable because it was not labeled in conformity with the requirements of the regulations. In connection with this point I will read article 8 which prescribes as follows:

> Such applications shall state the title of the exhibition and its duration, and shall be accompanied by the classification of exhibits, copies of the general regulations, the jury regulations, and all documents necessary to show the measures proposed to ensure the safety of persons and property, the protection of industrial property and copyright, and to satisfy the conditions prescribed below in Sections IV and V.

According to the same reliable source, this would have been the real reason for the postponement of the deciding vote from March 8 to May 5, 1960.

These are the facts, and I submit that the responsibility for this spectacular failure or blunder lies directly with this government. We have missed the boat again, due to lack of leadership and due to the confusion and fumbling of the government which has shown a complete lack of interest, imagination and vision with regard to this matter. What took place in Paris in respect to this world exhibition was nothing less than a political election at international level. The poor result we obtained is to be regretted and resented by Canadians as a whole and by Montrealers in particular.

Mr. Hamilton (Notre Dame de Grace): I have just a brief observation or two to make on this subject. I agree, I think, with only one part of one sentence of the remarks just made by the hon. member for Maisonneuve-Rosemont. I myself feel it is regrettable that Canada was not chosen to be the host of the world's fair, but there we part. The hon. member has built up his observations on a basis of newspaper clippings, hearsay and other material.

For example, the hon. member was quoting from a book published in 1934 without realizing that the convention was rewritten and revised in 1948. However, I have no argument with the main points he has brought up. They are contained in the new convention as well.

Basically, the situation is this. First of all the hon. member cast doubt on the acceptability of our application. The answer is that the application was completely acceptable in every way. There was no change made in it between March 8 and May 5 and it was this application which was voted on. Any suggestion to the contrary is completely and absolutely without foundation. This is proved by the fact that it was accepted by the organization and voted upon.

There are two other points basic to the argument the hon. gentleman raised. We can deal with these quite simply. The hon. member said, "What about the seven countries that came in? Why did you not do something about it?" The answer is, according to his own information, that in order to vote on May 5 they required to be members of the bureau by April 5. Their accessions actually were made between March 30—that is six days before the final date—and April 4 which is one day before the final date, one day before the required time. The hon. member may be interested to know that we did not receive official notification of the accessions from the French government until May 2 which is almost a month after they joined the bureau. It takes some time for information to find its way through normal diplomatic channels. The reason the Canadian Press had the story on April 25 was that in our constant efforts to keep abreast of all developments in connection with the fair we had ourselves turned up through diplomatic channels news of these accessions and had taken steps to confirm the fact long before we received any official advice whatever. I may say that under these circumstances it is obvious that we could not rush in at the last moment, within the last six days, to counter a move such as that.

Finally, the hon. member asked, "why did you not do something like this beforehand?" I would suggest to him that there has been in many parts of the world surprise and I might almost say dismay at the particular course of action which was followed by these satellite states in this connection. International bodies of this sort which are not major political bodies but organizations which are set up to regulate, control and direct some small section of international relations are not normally a battleground for one country as against another. They are designed primarily to come to thoughtful decisions and bring the benefit of the wisdom of their membership to bear on these matters. Under these circumstances countries find their way in, after adequate notice, one or two at a time. They are not introduced to swing a vote as was done in this particular case. This certainly would not be the approach of the free nations of the world, I am quite sure.

I might point out to the hon. gentleman that the free nations of the world under our democratic process are not able to line up, whip into line and rush in almost overnight, other countries. The free nations of the world make their own decisions. They consider these matters carefully, slowly and deliberately. To suggest that on such short notice we would be required to introduce a number of nations to offset those that entered is to exhibit a complete non-recognition of the facts in this particular instance.

I close simply by saying that throughout this operation there has been a tremendous effort exerted. I am told by those in the Department of External Affairs it has been one of the strongest efforts that has ever been put forward in anything of this sort over a long time in an attempt to bring this fair to Canada. Every stone has been turned, every effort has been made and every person has been contacted who seemed in any way able to assist us. When you examine the results you will find that they hinged on the sudden entry of a group of nations satellite to the U.S.S.R. Without these last minute entries for the countering of which there was no course of action open to us Canada would have led in every vote which was taken and that, I suggest, is the measure of the worth of the effort we put forth.

Mr. Pearson: Mr. Chairman, may I ask the Postmaster General a question. In view of the—what shall I call it—sharp practice followed by the Soviet union in introducing six satellites at the last minute, as it were, in the last month, and in view of the delay on the part of the French government, which may be understandable, in making that change known to the Canadian government, would it have been possible or desirable to ask the French government whether under those circumstances the meeting could have been postponed?

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I do not think we could have done that within the rules of the bureau. The bureau sets its own meetings. The French government acts purely as the repository of these accessions and transmits them to other bodies. They have no control whatever over the activities of the bureau itself.

Mr. Pearson: Could we have asked the bureau?

Mr. Hamilton (Notre Dame de Grace): One could suggest that it would have been possible to ask the bureau but this meeting had been established long in advance. It had been set for the definite purpose of voting on

this and I suggest there was no other course of action open to us but to proceed with the meeting as called.

Mr. Crestohl: What was the reason for the first postponement?

Mr. Hamilton (Notre Dame de Grace): I am glad the hon. gentleman asked that question because here again the hon. member for Maisonneuve-Rosemont was somewhat in error. According to the regulations of the bureau six months must elapse or can elapse between the first application of a nation and the time that that application is voted on and at any time during the six months period other nations can enter their applications. Canada entered hers and was quite prepared to have the vote taken at the March 8 meeting. Russia came in just a few days before that meeting and took the position that she insisted on having the full six months elapse before the vote was taken.

Mr. Deschatelets: Would the minister permit me a question at this point? Was the Canadian delegation accompanied by a legal adviser in Paris? I question the validity of the reason brought by Russia for postponing the election which was to take place in March. I say that because I fail to see in the constitution anything that sustains Russia's point of view that six months must elapse after the filing of the first applications. Was the delegation accompanied by a legal officer?

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, you do not need a legal adviser to appreciate most of these points. The answer to the hon. member's question is no, we did not have a legal adviser, but this point was fully considered both by our own delegation and the bureau generally and the course of action which was followed was arrived at as a result of those discussions.

Mr. Deschatelets: On a point of order, Mr. Chairman, in order to make the record clear, may I say this. The minister said I was citing extracts from an old convention dated 1928. This is true but unfortunately I forgot to say that I am citing from the new version amended in 1934 which is the one that is up to date.

Mr. Martin (Timmins): Mr. Chairman, I should like to direct my remarks to an item of interest that has been in most of our newspapers during the last week or two. I refer to the disastrous floods in the northern Ontario area and particularly the floods at Mount Joy township which is across the river from the town of Timmins.

As most hon. members know, a total of something like 2,000 people had to be evacuated because of the flood. I wish some hon. members could see just how extensive is the damage in that township. In fact, Mr. Chairman, I should like to extend an invitation to members on both the government side and the Liberal opposition side, if they are free, to come up when I go home this week end and see at first hand some of the damage that exists up there. In some cases logs have been driven right through windows and have beaten about inside the house for a period of four or five days. Stoves are ruined as are refrigerators and all sorts of household equipment, and in particular furnaces with their electric motors, and everything of that nature. As most hon. members will realize, a furnace is a very necessary implement up in the northland.

The damage is both direct and indirect. Many of the farms are flooded to such an extent that there is very little hope of any crop this year. Many of the farmers lost livestock. In other cases where the houses themselves were not flooded, the sewers backed up in the basements and flooded the basements. Pumps were put to work. When the people had to be evacuated the pumps could not be properly attended and when the people came back they found that the pumps had drawn up sand and so forth underneath so that the foundations of the houses had dropped and in some instances extensive repairs are required to most buildings.

Mr. Cardiff: May I ask the hon. member a question?

Mr. Martin (Timmins): Yes.

Mr. Cardiff: Has the hon. member any idea of the numbers of cattle that were lost?

Mr. Martin (Timmins): I have no idea of the total; I know that on one farm one farmer lost eight of his purebred Jersey cows but I have no idea of the total loss. I do know that for a period of three days the only way they could get feed in and milk out was by helicopter. An R.C.A.F. helicopter was moved in to assist and it did yeoman service in that particular field.

As some hon. members know, they have started a flood disaster fund and the Ontario provincial government has offered to match dollar for dollar. If and when the federal government has an opportunity to assist in this matter I should like them to give the lead in something that is very necessary.

The low lying section of Mount Joy township, which runs right along the river, has been built up in a place where it should never have been built up at all. It is subject to floods in any spring when the water is slightly higher than usual and much more so at a time of major floods such as we have had this year. I think it is rather a matter

of throwing good money after bad to spend extensive amounts to repair those houses. Anyone who has seen the result of flooding knows that floors are buckled and plaster falls from the walls. It would take extensive repairs to put those houses back into proper condition. Just a matter of two or three hundred yards away there is a steady rise and there are millions of acres all across the north country where those houses could have been built, or where families could be moved, and we would have a permanent cure to this thing and not a temporary one. If we make temporary improvements we may have to go through the same thing in two or three years' time.

I have discussed this with the minister's officials in the township and they are fully in accord with this. If and when the federal officials consider some financial assistance I should like this suggestion to be kept in mind and posibly we might be able to find a permanent cure for this problem rather than a temporary one.

I should like to mention the desperate condition of the township itself. In the part that was flooded this year there is, I am told, approximately 80 per cent of the assessable property. Anyone who is familiar with municipal affairs knows that when a municipality is just about to send out its tax bills for the year and finds itself faced with a flooded area of 80 per cent of its assessable property it finds itself really in desperate financial straits.

The picture of assistance locally was something that would warm the heart of anyone who saw it. Immediately the call went out, the danger was realized, and every hall in the town of Timmins, the Red Cross, the Salvation Army, all the parish, all the church halls, everything, were placed at the disposal of those victims, and when they were evacuated they were promptly rounded up, fed and clothed where necessary. The spirit of the community was such that by the end of the week those halls were empty because all the refugees had been taken into private homes throughout the township.

The provincial government moved in and set up a mobile welfare unit which would look after all the needs in regard to food and clothing for the victims until they were rehabilitated. This, of course, is on the normal 40-20-20 basis, 40 per cent by the federal government, 20 per cent by the provincial government and 20 per cent by the municipality. As I mentioned a moment ago, the greatest difficulty will be for the municipality to find the 20 per cent because of the condition in which it finds itself at the present time.

The response to the disaster fund has been most remarkable. All the local papers, the radio stations, the television stations have done a tremendous job. I recall watching the local television station, CFCL, Friday night. They put on a live program for one hour, with all the big local entertainers donating their time. They asked the people to phone in requests and to phone in their donations. In that one hour they raised over $2,500 in donations. They got donations from as far away as Rouyn, Noranda, Cobalt, Kapuskasing and Hearst.

There is one problem that really came to light in this emergency as no doubt it has in other emergencies which have struck as quickly as this one. I refer to the lack of co-ordination among the various people who want to help. There were numerous occasions when people were standing by ready to assist but because of the lack of co-ordination their help went unused. I do not think blame for this can be put on any one individual. The head of the local civil defence co-ordination, who is incidentally the fire chief, worked day and night in an attempt to co-ordinate all the various offers of assistance, and so forth. I think the problem was caused by the lack of understanding and lack of realization of the public generally in regard to civil defence. I know that over the years the fire chief has tried to get the people in that area interested in civil defence. In fact, in the township of Mount Joy he made many efforts to get some people interested in the need and use of civil defence.

This may be something for the minister and for the civil defence in general to consider. They should consider a possible change of name. If it were called civil emergency rather than civil defence it might appeal more to and get more people interested in it and act. When we talk about civil defence to the general public they immediately get a picture of evacuations because of an atom bomb or something of that nature. In a place like Timmins, of course, the people feel that they would be one of the last targets in an atom bomb attack. They think that it will never happen to them. But I believe that every community across the country is in fear of something. One community is in fear of floods, another in fear of bush fires and another has some other danger hanging over it. If civil defence could be related to the particular problem of the community it is possible that we could get people interested,

and once they became interested a much better job could be done so far as civil defence co-ordination is concerned.

Finally, once again I should like to extend an invitation to any hon. members of the house who are interested to come to Timmins this week end. I should like particularly to see a cabinet minister or parliamentary assistant come along with the group.

Mr. Pickersgill: Mr. Chairman, I am not going to take much of the time of the committee and I hope what I have to say will not be very contentious. I wish to say at once that I am going to be critical of a public agency but in doing so I am not implying any criticism whatever of the government.

I asked a question in the house the other day which was answered by the Minister of National Revenue. It had to do with the regulations of the Canadian Broadcasting Corporation, if they had any, with respect to persons being candidates for public office. The minister's answer appears on page 3954 of *Hansard* for May 17, at which time he said:

> I am informed by the Canadian Broadcasting Corporation that section 8, subsection 3 of the bylaws of the Canadian Broadcasting Corporation states:
>
> "No officer or employee of the corporation employed on a full-time basis shall be a candidate for any public elective office or actively support any candidate for any public elective office, but an officer or employee of the corporation may, subject to the permission of the president, be or actively support a candidate for a municipal or civic office, provided that the acceptance of or the support of the candidature for such office does not interfere with the proper and regular performance of his duties with the corporation."

I do not think it would be fair to the committee or to the minister to debate the general question involved in this bylaw. I must say that I do not know when the bylaw was passed. It may have been there since the inception of the corporation, but I was never aware of it before. I admit that right off. I do think it does raise a pretty fundamental question.

I am troubled, as I am sure every hon. member of the house is, by the extent to which private employers not directly but indirectly limit the capacity of citizens to offer themselves for public service, and it seems to me that unless there is some very compelling reason for it employees of public corporations should not be put in the position that civil servants properly are but should be in the same position as employees of the C.N.R. with respect to candidature of this kind.

I admit at once that there are some special problems connected with broadcasting that would have to be taken into account but, as I say, it is not to discuss the general principle involved that I am saying what I am saying now. The minister went on to say with reference to a particular case which has arisen recently in British Columbia:

> In reply to the supplementary question relating to the one particular individual mentioned, I am advised by the Canadian Broadcasting Corporation that this supplementary question, which related to British Columbia, refers to the case of a commentator on the program "Neighbourly News" who was not a member of the staff but a free-lance artist and who announced his candidacy in the next British Columbia election. In accordance with the corporation's practice in this regard and the principle enunciated in the regulation which I read a moment ago, he was given two weeks' notice of termination of employment, and arrangements are now being made and discussions are taking place with him and others as to a replacement commentator.

The person in question has, I understand, been adopted as a candidate in an election which undoubtedly will take place in the province of British Columbia but which has not been called. It seems to me this is of some importance even with relation to the bylaw. Moreover, the bylaw, of course, applies to full-time employees and not to persons who are employed at piecework as this particular person had been.

It does seem to me that there are, in the facts of this case, certain circumstances which seem to suggest that the action taken was neither fair nor reasonable, nor is it the kind of action which any of us who believe in our free and representative institutions should wish to see taken. It so happens that this gentleman is a member of the party to which I belong, but it would not make any difference to me to what party he belonged. In the case of people who are simply employed to do a particular specific thing once a week, it seems to me it is wrong to say that these people cannot be adopted as candidates for some future election and retain their engagement. If they use the opportunity given to them to broadcast in order to further their candidature or to further the particular interests of their party, I quite agree that would be an abuse and if that were done I think the corporation would be perfectly justified in dealing with it as an abuse.

But in this particular case this man has been compiling and broadcasting a program called "Neighbourly News" for 15 years. There is a similar program on the radio here. I listen to it occasionally on Sunday morning, as I am sure some other hon. members do, and a more completely non-political program it would be pretty hard to imagine. I quite grant that it might be possible to introduce into it something that would be objectionable or unfair, but surely under our system we should not anticipate that someone is going to do something wrong.

It is not a question of this man's livelihood. I understand he gets a small payment of approximately $35 a week which does not seem very excessive and which I gather does not mean very much to him, but there is a real principle involved here. The facts that the minister was given by the C.B.C. in order to reply to the house are not inaccurate, but they are perhaps not entirely candid or entirely full, if my information is correct, and I have every reason to believe it is.

Mr. Lambert: The gentleman himself probably wrote to you.

Mr. Pickersgill: That is quite true. The gentleman himself wrote it. I have the document sent by him and I would be very glad to read any part or all of it into the record or show it to the parliamentary secretary. If the rules permitted I would, of course, be quite happy to lay it on the table but only ministers can lay documents on the table as I well know from previous experience.

This gentleman, who is in every way a reputable person, was in fact, according to the information supplied to me, told in the first instance very shortly before he was to give his broadcast that he was not going to be allowed to go on and it was only after he had protested that he was then told he could go on for another two weeks. He was also given permission to make a farewell broadcast. According to the information given to me, which I believe to be correct, every script that he used was always read in advance by someone else.

There would have been, therefore, very little opportunity for him to abuse this broadcast in any case. He was told that he could make a farewell broadcast. I have a copy of the text here of the speech he was going to make. Part of the text was censored and the person in the C.B.C. who censored it signed it and initialled it. I think the committee should hear what it was that was censored, what it was that the official of the C.B.C. felt it was improper for the listeners in British Columbia to hear on this program.

I will not read the whole thing, but will read the part he was told to leave out. Perhaps I will have to read the previous sentence so that the continuity will be clear.

> And now, neighbours, it's not going to be easy for me to say what I am now going to tell you. This is my last Neighbourly News broadcast. You might say this is my swan song as your Sunday morning reporter of the doings of the small towns and their folks, and yes, even their dogs and cats and other pets.

That part was left in, and this is the part that was to be struck out:

> As some of you may know, I happen to be a candidate—

[Mr. Pickersgill.]

Mr. Lambert: On a point of order, Mr. Chairman; I am just wondering whether the hon. gentleman would not agree that this is strictly a matter of internal management of the corporation. This house would not expect to have the handling of the day to day affairs of the corporation nor matters of staff policy. I am just wondering whether this material which the hon. member is trying to put on the record is really relevant and proper at this time.

Mr. Pickersgill: I think the parliamentary secretary did not hear what I said at the outset of my remarks, through no fault of his own, because he did not know I was going to speak on this subject and he did not happen to be in the chamber. What I said was that I felt a fundamental human right was involved here, the right of a citizen to be adopted as a candidate for the legislature or for any other public office without having a penalty put upon him by a public corporation. It is that matter of fundamental human rights, which according to the speech from the throne are certainly within the purview of this parliament, upon which I am speaking. We are being asked to vote a very considerable sum of money for the Canadian Broadcasting Corporation which is ultimately responsible, not to the government but to parliament.

I would raise a question, and I only raise it as a question, as to whether the statute does, in fact, give the corporation power to do things of this sort, which do seem to call into question a person's civil rights. This is not a matter of any internal management, this is a matter of public privilege, because the corporation was not seeking to discipline somebody for some infraction but because the corporation, by its action was, in fact, penalizing someone in the exercise of his undoubted civic rights; that is the point I wish to make. If the parliamentary secretary feels that there is still a point of order I would be glad to sit down so Your Honour could rule.

Mr. Lambert: I have just this observation. While the hon. member may question, on broad lines, the principle that he enunciated, I am wondering whether or not he is going too far in going into the detail of what had been taken out of the talk. That has nothing to do with the question. I have not got the act before me, but it will be remembered that it is clearly indicated in the legislation that matters of staff policy shall be for the president of the corporation; that is what it says.

Mr. Pickersgill: This gentleman was not a member of the staff of the C.B.C.

Mr. Lambert: It is really a legal nicety, I think, to indicate whether or not a person

is a staff member when he is a full-time employee, a regular part-time commentator engaged on a contract or when he is an occasional commentator hired on a strictly free-lance basis. The dividing line as between a regular part-time commentator under contract and a full-time employee is extremely narrow. It is for that reason I am raising this point of order as to whether it is appropriate to discuss matters of staff policy of the Canadian Broadcasting Corporation in this committee.

Mr. Pickersgill: Perhaps before Your Honour makes a decision I could cite a very distinguished precedent. A question arose on a matter of interim supply on March 29, 1957, with respect to a part-time commentator on the C.B.C., and it was debated at some length in this committee. One of the distinguished participants in that debate was the Minister of Finance. It does seem to me, sir, that what is sauce for the goose should be sauce for the gander.

As to the other point raised by the parliamentary secretary as to whether or not it is a proper thing for me to read the part of this document that was censored, I think perhaps, in a way, the parliamentary secretary may have a point there. There is no question in this case but that this man, under the terms of his contract, did submit his scripts for censorship. They were always submitted and, therefore, I assume that if this particular passage were to be cut out, he would have no very valid complaint on that ground if he was being continued in his employment. But this, after all, was not a broadcast in a series. He was being permitted by the C.B.C. to give a farewell broadcast when his employment was terminated. Then, that farewell broadcast was butchered, and it seemed to me that that was a rather serious thing.

It seems to me, also, that perhaps more than any other assembly in this country, this House of Commons should be jealous of the civil rights of others, particularly those who are seeking to be candidates for public office.

The Deputy Chairman: This, of course, is a very difficult situation on which to make a decision. I must say that I cannot find anything that would, in my opinion, make the hon. member out of order.

Mr. Pickersgill: I do think, because it is rather important to illustrate the kind of person this was, that I should read what he wished to say on this farewell broadcast which he was going to give because he had been told he could be employed no longer. He wished to inform the people to whom he had been broadcasting for 15 years that he was not going to be permitted to broadcast any longer:

> As some of you may know, I happen to be a candidate in Vancouver for the next provincial election, and the C.B.C. has seen fit to dismiss me because they say it's against their policy to let me stay on the air while offering myself for public service. Apparently this policy applies to commentators who express personal views on public matters... but for the life of me I can't see how it holds water in my case. After all, I'm not a commentator, I'm just a reporter of the country news and human interest stories taken from the country papers, and I disagree with their decision because the policy implies that I might use the program for my own political gain.
>
> Yet this would be impossible because every week my script is checked in advance by the producer anyway. To me the policy is a reflection on a person's integrity, and I like to believe that my record over 15 years of broadcasting Neighbourly News speaks for itself. Be that as it may, my dismissal takes effect immediately and this will have to be my farewell to you all.

This gentleman, when he was not permitted to include this passage in his broadcast, did not give the broadcast and his employment has been terminated. I think it is unfortunate that this should have happened in this particular case. But I am much more concerned about the general principle involved than I am about the particular case. My reason and my justification for raising it at this time and taking up the time of the committee in order to do so is that I feel it is extremely important, if we are going to maintain our free representative institutions, that as few obstacles as possible be put in the way of a citizen offering himself for public service in an elective capacity. It seems to me that public corporations should set an example to the rest of the country in this regard in the right way and not what seems to me to be the wrong way. In saying that I do not want anyone to misinterpret for a minute what I have to say and to suggest that I am saying that people who are candidates should be allowed to go on broadcasting during an election campaign or that they should broadcast at all if they are broadcasting the kind of broadcast in which there would be abuse. I would not suggest that for a moment.

Mr. Nesbitt: Where would you draw the line?

Mr. Pickersgill: That is exactly what we pay these people for, namely to draw the line and not just to put a ban on everybody. That is what parliaments are for. That is what public officials are for. It is precisely to draw the line and not just to make things illegal on a broad scale. That is why we talk about a bill of rights; at least I have always conceived that was the reason.

Mr. McCleave: Will the hon. member permit a question?

Mr. Pickersgill: Certainly.

Mr. McCleave: Was the paragraph he read the sole attempt to say good-bye?

Mr. Pickersgill: I did not read the whole broadcast. There are two or three other paragraphs that might have been referred to but I did not think it was fair to the committee to take up its time to read them. As I said before, I am not making any criticism of the government. I do not suggest that the government had anything to do with this matter. I think it was done entirely by the C.B.C. as it should have been or rather, I mean as it should not have been. I might correct myself there. What I am saying is that in my opinion it should not have been.

I want to tell hon. members that this is not a new view that I take of these matters. In case it may not be widely known in the House of Commons, may I say this. My political opponent in my first election campaign was a distinguished Newfoundlander who was an extraordinarily good broadcaster and who had broadcast on the C.B.C. on the same kind of basis as this, as far as I know. I never inquired into the details of it but he was not a member of staff of the C.B.C. He was employed in this sort of way to make broadcasts to fishermen. He did not do it during the election campaign because he was busy with other things, but he was retained again for that purpose immediately after the election in 1953. How I happened to find that out was that some rather ardent supporter of mine wrote to me or communicated with me in some way and suggested that I do something about it. My attitude was that I had done all I needed to do. I had been successful in the election and this man had not been successful. He was a good broadcaster and I did not see any reason on earth why the C.B.C. should not go on with him on its staff and I do not see that now. It also happened that very shortly afterward the film board wanted somebody with a good Newfoundland voice and they asked the C.B.C. who they would recommend. The C.B.C. recommended this gentleman and he was retained by the film board. It is true that I was not actually the minister in charge of the film board at that time but my friend Mr. Harris was, and Mr. Harris took no exception whatsoever.

Mr. Halpenny: Your halo is showing.

Mr. Pickersgill: I know it. All I am saying is that I think all of us in the House of Commons, to whatever political party we belong, should in this matter take a liberal view and I use the word with a small "l". I think this is really an extremely important case. It is for that reason that I have sought to air the matter here today.

There is also another broadcasting matter I wish to say a brief word about. It does not affect the C.B.C.; it affects the board of broadcast governors. Here again another important principle is involved. I do not intend to go into details in this case. This matter also was the subject of a question on the order paper. It was question No. 359 and appeared in *Hansard* of May 9, 1960. The questions I asked were as follows:

1. Was a broadcast entitled "What are the national issues in the west coast union fight" broadcast by station CJOR, Vancouver, on February 20, 1960?

The answer given was yes. The second question was as follows:

2. If so, was station CJOR forbidden by the board of broadcast governors to permit the rebroadcast of this program on other stations and, if so, for what reason?

The answer given was as follows:

Station CJOR, Vancouver, was advised that the program could not be rebroadcast until the board received assurances from the station that those holding views opposed to those expressed on the program of February 20, 1960 would be given an equal opportunity to express these views on the first possible program following.

The step taken by the board in this instance was consistent with the provisions of the board's directive to all radio stations entitled "Political and controversial broadcasting policies." This directive requires that, if a station broadcasts a program on a controversial subject, equal opportunity must be given to all parties to the controversy to express their views. After listening to the taped recording of the program broadcast by station CJOR on February 20, entitled "What Are the National Issues in the West Coast Union Fight", the board was satisfied that this requirement had not been met.

I am not going to take any time on that matter. With that general principle I thoroughly approve. I think one of the best features of broadcasting in Canada is that in connection with these controversial broadcasts we have a general regulation to provide for the airing of both sides. The last thing I would ever do would be to attack that principle in which I firmly believe. But in this particular case I think the board of broadcast governors made a mistake. If the facts are as they have been represented to me—and again I may say I have made every effort to find out—a real effort was made in this case to get persons to represent both sides of the case more than a week beforehand but unfortunately, though there was every prospect that this opportunity would be accepted, the person to represent one side did not turn up. It was a broadcast from a meeting and the meeting had to be held. It

seems to me that every reasonable opportunity had been given. I think that here again we should always err—if there is going to be any erring at all—on the side of liberality and of freedom rather than the reverse.

Mr. Argue: I want to go along with most of the remarks made by the hon. member for Bonavista-Twillingate. In a case like this I feel it is far better to err on the side of leniency than to be too rigid in the application of the rule that people engaged politics should not be in the employ of the C.B.C.

In Saskatchewan we have, of course, a bill of rights; and in that province civil servants have the right under the law to take a normal citizen's part in political activities as long as it is not within their working hours. However, we also have another rule which provides that anyone who becomes a political candidate shall immediately leave the position which he or she occupies, but can obtain leave of absence for the period of the election or during the time the person concerned is a candidate. We feel that in a democracy such as ours it is the duty of the government to preserve the fundamental right of citizens to take part in politics and afford them some protection in their normal occupations.

The subject I really wish to deal with at this time concerns the attitude of the Prime Minister in failing to give the farm delegation satisfaction as to the date of another meeting when it would have a chance to present its case. This matter has been raised on a number of occasions. I raised the subject on April 8 when it was announced in the press that the Prime Minister had refused to see the farm delegation. At that time, in reply to my question, the Prime Minister stated:

> I cannot enter into an argument during the course of orders of the day, but may I say that any representations made in the past constituted not an alternative but a series of alternatives.

The Prime Minister had been asking the delegation to present some alternative program. At that time the right hon. gentleman was apparently inferring that if the delegation came forward with some other policy, and not a number of alternatives—a single alternative—he might consider meeting the delegation. Since that time the question has been raised again. In fact, it was raised yesterday by the hon. member for Essex East, and that hon. member received from the Prime Minister what was in my opinion a most unsatisfactory answer.

I think in a country such as ours the Prime Minister should be available to meet delegations representing major organizations and the Prime Minister should not hesitate to give the continuing liaison committee an opportunity to meet with him once again and present for the third or fourth time its case for deficiency payments. I think this is a somewhat arrogant and high-handed attitude which the government—the Prime Minister—has taken. I think it is an unreasonable attitude, and it is one which for the life of me I cannot understand because I feel the Prime Minister should not be guilty of slapping in the face the hundreds of thousands of western producers who through their delegations and spokesmen presented a well-reasoned case in support of deficiency payments and an economic program.

There seems to be an attitude among supporters of the government that the farm delegation members do not know of what they speak, that they are asking for something which is undesirable or impracticable; in short, that they really do not represent rank and file farm opinion. I believe that hon. members who put that argument forward are completely mistaken. I have it from the president of the interprovincial farm union council, Mr. Alf Gleave, that neither by letter nor by resolution has a single local of the farmers' union gone on record in support of the government's policy of a dollar an acre payment as the answer to the farmers' economic problem.

An hon. Member: In what province?

Mr. Argue: The president of the farmers' union in Saskatchewan.

Some hon. Members: Oh.

Mr. Argue: It is a fairly important province. I would be interested to know from the hon. member if there is a single farm union local in Alberta, or in Manitoba, for that matter, which has gone on record as being in support of the dollar an acre program as a suitable answer to the farmers' economic problem.

Mr. Speakman: If the hon. member would call at my office I will show him at least 16 letters—

Mr. Argue: The hon. member could bring them into the house, and then the public would know about them. I doubt very much if they are in existence at all.

Mr. Speakman: On a question of privilege: is the hon. member questioning my word?

Mr. Argue: Oh, not at all. I would like to see them in the house, but the hon. member will not be bringing them into the house.

Mr. Aiken: I do think the hon. member for Assiniboia went much too far in stating he did not believe the letters were in existence

at all, after they had been referred to by another hon. member. I think that is a statement which should be withdrawn.

Mr. Argue: Oh. The hon. member asked me if I doubted his word, and I said: not at all. What more does the hon. member now wish? I went on to say that I thought it would be very interesting if we could have those letters produced in this house, and I challenge the hon. member to bring them into the house. Since they are undoubtedly in existence, the hon. member need have no hesitation about doing so in order that the public may know whether a single farm union local has expressed any support of a dollar an acre payment with a $200 limit as the answer to the farmers' economic problem.

Supporters of the government in this chamber have taken it upon themselves to lecture the farmers with regard to what they want. These members have been going around saying that farm organizations are not speaking for the farmers, that they really do not know what the producers themselves would like the government to do. I have in my hand a copy of the *Western Producer* for April 28, 1960 in which appears a heading in very large red type: "Farmers Back Liaison Committee". The article says:

> Shackleton-Sask.—Members of parliament who had suspected that farm organization leaders did not represent the views of their grass-root members got an answer in no uncertain terms in this southwestern Saskatchewan district April 22.
>
> Calling the Saskatchewan wheat pool the most democratically run organization in the country, 45 farmers representing 622 permit holders told two members of parliament that they were solidly behind wheat pool officials in statements on wheat policy, that they continued to support the liaison committee representing 10 western farm organizations in negotiations with the federal government for a solution to the country's grain problem, and they urged the members of parliament to consider in future dealings with wheat pool officials that they were dealing with all 141,227 grass-root members of the organization.

There are other instances of government members who have taken issue with the farmers regarding their stand. The two members in question referred to in the report I have just read are the hon. member for Swift Current-Maple Creek and the hon. member for Kindersley.

Mr. Harkness: On a point of order, I submit that the type of speech which the hon. member for Assiniboia is now making is completely out of order when we are discussing interim supply. I submit this on a basis altogether different from that which has been argued on any other points of order which may have been raised as far as this debate is concerned.

The hon. member is now making a speech on general agricultural policy—general agricultural matters—and I submit that this is

contrary to the rules as outlined in Beauchesne, section 148 on page 126 of the fourth edition:

> 1. 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.

The general debate on agricultural policy took place over a period of three days on item 1 of the estimates of the Department of Agriculture. This interim supply is to give supply for a certain proportion of the money provided. The place on which a general agricultural debate can take place is on the first estimate of the Department of Agriculture. This debate lasted three days. There was every opportunity at that time for the hon. member to make a general speech on agriculture. I submit that to attempt to make another general speech on agriculture on the interim supply bill is to be out of order. This argument would not apply to those items not passed but, as you are aware, approximately 10 or 12 of the agricultural estimates have been passed and a general debate on agricultural policy lasting for three days took place on the first item. To revive debate at this time is contrary to the rules of the house and therefore general speeches on agricultural policy should not be permitted at this juncture.

Mr. Martin (Essex East): Mr. Chairman, I should like to say a word on the point of order raised by the Minister of Agriculture. I have listened to what the hon. member for Assiniboia was saying and would find it very difficult to support the position taken on the procedural point by the Minister of Agriculture.

The hon. member for Assiniboia has raised what I think is a legitimate grievance. That grievance as reflected in the words used by the hon. member is that the government in refusing to meet the representatives of the farm organizations from western Canada has violated what the hon. gentleman believes to be the proper conduct of government and he has stated his views by way of expressing a grievance. Surely in expressing that grievance the hon. member is entitled to indicate that the grounds taken by the government for not having met these representatives of agriculture is not a sound one. The hon. member expressed that by indicating his views on certain aspects of agricultural policy as enunciated by farm organizations. Surely no serious objection can be taken to the point made by the hon. member for Assiniboia in this regard.

The government is deservedly charged with having failed to carry out its promises.

The government is deservedly charged with failure to meet these representatives—

Some hon. Members: Order.

The Deputy Chairman: Order. I think the hon. member for Essex East has made a point of order and has gone far enough in doing so.

Mr. Argue: Mr. Chairman—

Mr. Martin (Essex East): I still have the floor, Mr. Chairman. Your Honour has taken the position that I have made my point and that possibly I have gone beyond it, and if that is Your Honour's view—

Some hon. Members: Order.

Mr. Martin (Essex East): I know that hon. gentlemen opposite do not like hon. members of the opposition to mention—

Some hon. Members: Order.

Mr. Martin (Essex East): Mr. Chairman, I submit that hon. gentlemen have made a comment and I am entitled to comment on that. Whenever we raise any point they do not like, whether it be agriculture or some other subject, hon. members opposite seek to put us down.

Some hon. Members: Order.

Mr. Martin (Essex East): Let me say that here is one member of parliament who is not going to be put down by hon. members opposite.

The Deputy Chairman: Order. We can only have one hon. member speaking at a time. If the hon. member for Essex East wishes to speak again to a point of order the Chair will be very happy to hear him.

Mr. Martin (Essex East): I am very glad that the Chair at least will protect those of us in the opposition who are seeking—

Some hon. Members: Order.

Mr. Smith (Simcoe North): The hon. member makes a travesty of the rules.

Mr. Martin (Essex East): Hon. members opposite again seek to put me down. This is a very good example of what I am talking about and I hope the country will see it.

Mr. Macdonnell: State your point.

Mr. Martin (Essex East): Well, Mr. Chairman, the hon. member for Greenwood is not one of those who continually obstructs—

Mr. Macdonnell: State your point.

Mr. Martin (Essex East): —but I would not want his mild intervention at the moment to be characterized as it might be—

Mr. Macdonnell: State your point.

Mr. Martin (Essex East): —if he persists in repeating it as a part of this process of obstruction.

Mr. Smith (Simcoe North): You are the obstructer. You are making a travesty of the rules.

Mr. Martin (Essex East): I thank you, Mr. Chairman, for giving me the opportunity of expressing my right of free speech in this chamber.

Mr. Argue: On a point of order, Mr. Chairman, it is a well-known rule that debate cannot be revived at a later stage. That relates in the main to items that are passed on motions and therefore are concluded when the debate is over. However, the administrative item for agriculture on which debate can take place has not been fully passed. The funds have not been voted. We have under discussion a fraction of the administrative item. It was on that basis that I was seeking to raise the question of deficiency payments.

I would not have occupied many more minutes of the committee's time if the point of order had not been raised. I do not think the minister challenges my right to refer to the attitude of the Prime Minister on something that happened as recently as yesterday.

Mr. Harkness: Is the hon. member still on a point of order?

Mr. Argue: Yes. The Prime Minister's estimates have not been passed and therefore remarks having to do with the Prime Minister's attitude and the government's policy as stated yesterday should be in order at this time.

Mr. Harkness: Further on the point of order, Mr. Chairman, the hon. member for Essex East attempted to make the point that this was the time to raise grievances. As you are aware, Mr. Chairman, this is not the time to raise grievances. We are discussing interim supply and I believe that any speeches made should have reference to some item in the estimates.

Mr. Martin (Essex East): Of course.

Mr. Harkness: However, the hon. member seems to think that a grievance of any kind whether or not it relates to an item in the estimates can be raised.

Mr. Martin (Essex East): I did not say that at all.

Mr. Harkness: I would contend that that is not so. Quite apart from that altogether, after having dealt with the first matter the hon. member for Essex East talked about the complaint the hon. member for Assiniboia

made that the government did not see again the western liaison committee representing the ten big western farm organizations. As the hon. member for Assiniboia admitted, in speaking to the point of order he went on to talk about deficiency payments in general. He sought to make a general speech on agriculture. I see that the hon. member is nodding his head. I think that is the case. Therefore I believe my original argument is valid. We had the general debate on agriculture and the first item was passed by this committee. It is therefore not in order to have a general debate on agriculture again at this time. As I said, this argument would not apply to any items except the 10 or 12 in this department which have already been passed. I maintain it applies to those items and there should not be a revival of general debate on these items at this time.

Mr. Speakman: Mr. Chairman, I should like to raise a question of privilege as I attempted to do a few moments ago.

The Deputy Chairman: Order. The committee is now discussing a point of order. The Minister of Agriculture has raised a valid point with respect to the items that have already been passed and I do not think the hon. gentleman should engage in a full and general debate on agriculture at this time. I do feel, however, that the hon. member is free to raise certain points provided he does not engage in a full, general debate on agriculture.

Mr. Speakman: Will the hon. member for Assiniboia contain himself until I am through. He questioned my possession of some letters. I am going to give excerpts from those letters for his edification.

The Deputy Chairman: Order. The hon. member will have a chance. It is a question perhaps of disagreement between two hon. members. I do not think there is any point of order or question of privilege at this moment. The hon. member will have a chance to speak after the hon. member for Assiniboia is through.

Mr. Speakman: If the hon. member doubts my word—

Mr. Argue: No, I do not.

The Deputy Chairman: I must say the hon. member for Assiniboia did not doubt the hon. member's word. He said he did not doubt it, or words to that effect. However, the hon. member for Assiniboia has the floor.

Mr. Argue: The record will show that I did not doubt—

Mr. Speakman: You said you doubted the existence of those letters.

[Mr. Harkness.]

Mr. Argue: Then my hon. friend assured me they were in existence and I accepted his word without reservation. I went on to challenge him to produce them. He said he did not want them produced.

Mr. Speakman: I did not say anything of the sort.

Mr. Argue: If he wants to produce them I am very happy that he is about to produce them. I think he might produce them on his own time rather than on mine, Mr. Chairman.

When I rose initially I quoted the statement that the Prime Minister made in this house as late as yesterday having to do with arranging another meeting for the western farm delegation. We have had a debate in this house already on deficiency payments. We may have some further debates in this house on that question during this session because new developments can arise from time to time. But I feel that the government is in serious error, the Prime Minister is in serious error, in refusing readily to grant to the farm delegation an interview so that they can present their proposals to the government at this time.

No matter what may be said about the position taken by the farm delegation and their representatives, they have not asked the government for as much as they were promised by this administration in recent election campaigns. I would hope that the Prime Minister, either by his own statement or by a statement through the Minister of Agriculture, will agree to meet this delegation once again.

This delegation and their representatives are not people who do not know of what they speak. They are responsible spokesmen; they have asked the government for an interview and I insist that this is a democratic right which should be granted to them by the Prime Minister.

Mr. Harkness: Mr. Chairman, I should like to say one word in connection with these remarks which have just been made, the allegation that the Prime Minister and the government have refused to meet this western farm organization. This is completely untrue and incorrect. We have not refused to meet the farm organizations. In fact, the Prime Minister wrote to them saying we would be glad to meet them as soon as they sent down a definite alternative which they wanted to discuss with us. They have not yet sent down that alternative. We have been sitting prepared ready to meet them at any time that they sent it down, and that is the situation. There has been absolutely no refusal to meet those western farm organizations,

and these allegations the hon. member is making to the contrary, that we have refused to meet them, have no foundation in truth whatever.

Mr. Speakman: Mr. Chairman, just to put the record straight I should like to read excerpts from a few of those letters for the edification of my hon. friend.

As our member of parliament, we ask you to press the government for some assistance at once.

This is signed by a local official.

Mr. Argue: Who is that?

Mr. Speakman: He is asking for an acreage payment as a means that would help the man who does not sell his grain.

Mr. Regier: On a point of order, I believe the letter has to be identified.

Mr. Speakman: I take the words as my own, Mr. Chairman.

Mr. Regier: I believe it is a rule of this house that every letter that is read to the house has to be identified.

Mr. Hodgson: A doubting Thomas.

The Deputy Chairman: It has been the custom. If the hon. member does not want to do that and wishes to adopt the words as his own, of course, that is different.

Mr. Speakman: Thank you, Mr. Chairman.

Mr. Regier: In other words, they are not actual letters; they are phonies.

Mr. Speakman: I ask the hon. member to withdraw that remark immediately.

Mr. Nesbitt: Doubting the word of a member.

Mr. Speakman: The hon. member said, "In other words, they are phony."

Mr. Argue: Put them on the record.

The Deputy Chairman: Will the hon. member for Wetaskiwin tell me what he wishes withdrawn? I did not hear any remark.

Mr. Speakman: Yes, Mr. Chairman. The hon. member from his seat and not on his feet said, "In other words, they are phonies." I ask that that be withdrawn immediately.

The Deputy Chairman: Order.

Mr. Regier: In that regard, I will be very happy to amend my statement and say that the letter may be phony.

Mr. Speakman: Mr. Chairman, I ask for the withdrawal of the remark of the hon. member. I think it should be withdrawn immediately.

Mr. Martin (Timmins): On the point of order, I am not sure of the actual rule itself but I know that on more than one occasion I have been challenged in this house when I read from a letter, and I was compelled to identify the author of the letter. As I say, Mr. Chairman, I am not sure of the rule but I do know that has happened to me on occasion.

The Deputy Chairman: I wish to get the first point of order straightened away. I feel that the second remark of the hon. member for Burnaby-Coquitlam is one that has been used in the house before and therefore I feel that I should not ask for a withdrawal. Do you intend to continue?

Mr. Speakman: Yes, and I intend to take the words of the letters as my own because they are written to me as the representative of those people in parliament.

Mr. Argue: Not an official of the local.

Mr. Speakman: Yes, as their member of parliament, my hon. friend.

Mr. Argue: May I ask a question?

Mr. Speakman: No; contain yourself. You have made your point and we did not interrupt you.

Mr. Argue: Maybe the letter is phony.

Mr. Speakman: That is fine. My hon. friend can be unparliamentary. He has been here 15 years, and by now he should know how to conduct himself in the House of Commons; apparently he does not.

Therefore those producers feel that an acreage payment as in 1958 would meet with general approval.

We request you to have the government make an additional payment this year of $1 per acre. I am sure that a limited acreage payment would help those in dire need and put more money in circulation even if some do not need it and in turn help the whole economy.

I will not put any more on the record. I hope I have made the hon. member eat his words.

Mr. Argue: Mr. Chairman, rather than eat my words, I am sure I am being verified in the questioning I did of the kind of letters and the kind of documents my hon. friend is producing. I asked him whether the person writing the letter wrote it as an official on behalf of a given local union, or was it some official of the union who was writing a private letter to my hon. friend?

I have heard in the country that members of the government party are endeavouring by radio broadcasts, by letter writing, to get people to write in to them and say, "We want an acreage payment we do not want anything else." I am wondering whether this unnamed person in the partially produced letter that my hon. friend says

he has in his possession really is an official of a farm union local speaking for the local or if these are letters that are being brought in by some paid official of the Conservative party somewhere in western Canada who is doing a political favour for my hon. friend.

Mr. Speakman: We do not have to stoop to C.C.F. tactics.

An hon. Member: What has that got to do with the point of order?

Mr. Argue: I was not talking on the point of order. I was discussing the subject before and I have a few remarks I want to make about the minister's statement. The minister said that the Prime Minister has not refused to see a delegation. I think that is a lenient interpretation of the attitude of the government. The government is trying to hold a gun to the head of the farm organizations by saying to them, "You produce the kind of alternative we have been talking about or we will not consider anything at all". The farm organizations have produced alternatives. They have produced alternatives in the plural. They have produced four well-known alternatives which I could relate but in the words of the Prime Minister himself he does not want alternatives. He wants an alternative.

I suggest this is a high-handed attitude on the part of the government, that the government to trying browbeat the farm organizations into submitting to the government something that is the Tory answer to these problems, which is no answer at all. As I survey the situation I feel that the farm organizations are very accurately and genuinely representing their membership. They have already given the government alternatives and yet the government refuses to see them.

Mr. Martin (Essex East): Mr. Chairman, I rise to support the observations made within the last few minutes by the hon. member for Assiniboia and earlier stated by him bebore the Minister of Agriculture rose to say a few words. As the hon. member for Assiniboia pointed out, on May 18 I asked the Minister of Agriculture the following question:

> May I ask the Minister of Agriculture whether, now that the Prime Minister is back, he has found it possible to answer the representations made to him by western farmers for a conference with the government with regard to an alternative proposal to meet their particular situation?

The minister replied as follows:

> I think the hon. member should address his question to the Prime Minister rather than to me.

Then I went on:

> Would the Minister of Agriculture not consider looking over toward the Prime Minister to see that I get some kind of reply from someone?
>
> [Mr. Argue.]

At that point surely either the Minister of Agriculture or the Prime Minister should have unhesitatingly risen in his place and indicated whether or not the government was prepared to meet this farm delegation or the liaison committee as it is sometimes referred to. Then I had to press the matter further and I did. I said:

> In view of the importance of this matter I wonder whether, since the Prime Minister's return, he has had an opportunity of conferring with his colleagues to fix a date for the delegation from western Canada that wishes to discuss with the government a proposal in the alternative, in view of the fact that the request for deficiency payments was turned down by the government. I am sure the Prime Minister will recognize that this question has to be settled very soon.

After that encouragement from the member for Essex East the Prime Minister rose and after paying some tribute to my interest in agriculture, a habit in which the Prime Minister now seemingly likes to indulge, he said:

> However, I would say . . . that this matter is under consideration.

Surely the time has arrived when the government can no longer get away with that kind of reply. That is the reply that the government has given to the farmers of western Canada since March, 1959 when they came to Ottawa 1,000 strong to make representations to the government of Canada, and only a year later were they able to get a reply from the government turning down their demand for deficiency payments.

I am not now commenting on the demand but on the right of the people of this country to make representations to the government which they elected, particularly a government elected on the basis of assurances given by them to these very farmers. It is the inalienable right of the citizens of a free country like ours, if they cannot persuade the government to adopt the point of view of those who make the representations at least to be able to lay their point of view before the members of the government, and that is the point made by the hon. member for Assiniboia. This government disregards this inalienable right.

The Prime Minister says that this matter is under consideration. It is true that the question was raised in the house about two weeks ago. I raised it. I complained about the refusal of the government to see the liaison committee, and what was the reply?

Mr. Harkness: I dealt with the matter fully at that time.

Mr. Martin (Essex East): I am now going to deal with the reply. The minister said that the government was not going to refuse—

Mr. Harkness: Mr. Chairman, I must submit again that this is completely out of order. The hon. member is going back to the debate we had on the first item of the agricultural estimates when this very matter was considered and dealt with fully by me. Now he says he is going to refer to that debate. If that is not reviving a debate I do not know what it is. Under the ruling you made a short time ago, Mr. Chairman, the member for Essex East has no right to revive that debate.

Mr. Martin (Essex East): I am not going to revive any debate. I was simply giving the reply the minister gave as to why the government will not see the liaison committee, the reply of the minister at that time, not the reply of the Prime Minister. He did not give that reply. The reply of the Minister of Agriculture at that time was, "We will see this liaison committee"—

Mr. Fleming: Order.

Mr. Martin (Essex East): —"but we will only see it provided they write a letter and state a proposal". That was the position taken by the minister at that time, but that is not the position taken by the Prime Minister. In view of the reply of the Prime Minister, we are now entitled to know whether or not this delegation is going to be given opportunity to state its views. If the government does not today, not tomorrow, not some weeks hence, not after the Saskatchewan election, reply to the representations that have been made first by the hon. member for Assiniboia and now by me, then the government does not deserve to receive the recognition which a government is entitled to receive. We are entitled to say that in this matter the government is arrogant, that it is insolent, that it refuses to take steps to meet an important body of citizens who feel they have certain positions they want to put before the government. Do I overstate—

Mr. Jones: What nonsense.

Mr. Martin (Essex East): The hon. member for Saskatoon says, "What nonsense". He is the representative of the city of Saskatoon and I should have thought he would be the last person to say that. I can understand the hon. member for Greenwood, who looks at me now so critically, taking that position. He lives in Toronto far away from the problems of these people, as I do myself.

Mr. Macdonnell: May I ask a question? The reason I am questioning what the hon. member is saying is that a clear statement has been made by the Minister of Agriculture pointing out that the Prime Minister and he are still waiting for a further communication from these people in Saskatchewan and that there is no question of refusing to see them. That is a plain statement. Let me make one more point. Will the hon. member for Essex East not deal with that plain statement of fact?

Mr. Martin (Essex East): My hon. friend has asked me a question and I will deal with it. I thank my hon. friend. He has now confirmed that I was in order although the Minister of Agriculture said a few moments ago that I was out of order because I was discussing that very matter. I will say this to the hon. member for Greenwood, who loves this parliament and who loves free government, that that kind of reply made by the Minister of Agriculture, which he has just repeated, should never be made by any responsible government.

Mr. Hamilton (Qu'Appelle): Don't be pompous, Paul.

Mr. Martin (Essex East): What this means—

Mr. Hamilton (Qu'Appelle): Don't be pompous, Paul.

Mr. Martin (Essex East): My hon. friend should not forget that the farmers of Saskatchewan are very annoyed—

The Deputy Chairman: I must remind hon. members that they must address the Chair.

Mr. Martin (Essex East): I want to remind my friend, the minister of northern affairs, with regard to pomposity, that he wants to go back to western Canada to hear what the farmers there are saying about the speeches he made on this subject during the Easter recess. He complained about the farm leaders from western Canada. He said that they did not represent the farmers of western Canada. When my hon. friend goes back to Saskatchewan he is going to receive a reception the like of which he has never received before from the farmers of western Canada because of the tour which he made so elegantly, not pompously, during the Easter recess.

Let me tell the hon. member for Greenwood that it is not within the prerogative of a government, having given assurances to the farmers of western Canada as this government did, to say to the farmers, in effect, we do not declare any policy; we cannot accept your original proposal; you put in writing what you think should be done and send us a letter—put O.H.M.S. on it if you like and perhaps no postage will then be charged—addressed to the Prime Minister; we will examine your proposal, and having examined it, will then grant you an audience, an interview. That is the situation.

I say that this government, if it has a policy, should declare that policy. It should be

obliged to say whether or not it has a policy on the matter instead of putting the whole responsibility on the farmers of this country. That is my answer to the hon. member for Greenwood. As an upholder of responsible government he should join with me in condemning the Minister of Agriculture and this government for its unwillingness to state a policy and for putting the whole responsibility on the farmer. When the right hon. gentleman during the last election campaign went all over this country urging the farmers of Canada to support him—

The Deputy Chairman: Order; I wonder whether or not hon. members realize that we are discussing interim supply which, I understand, is for the year 1960-61.

Mr. Martin (Essex East): Thank you very much, Mr. Chairman, for reminding the hon. member for Greenwood what is the point under discussion.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): In the light of what we have indicated, and I say this seriously to the minister, how can he possibly justify this procrastination of now over a year. Either the government has a policy or it has not. The government ought, without any reservation, to say to the farmers of Canada, as they said with regard to the deficiency payments proposal, we do not agree with that. This was a courageous position to take. It may have been a right position or a wrong position. The farmers say they still have a problem that has to be solved. They say the government has a responsibility.

I am saying as one member of this house, under our constitutional traditions and practices, the government, unless it can give a definite answer, if it wants to follow a proper course and a course sanctioned by usage and by history, to which the hon. member for Greenwood referred so properly and with such great affection, should turn in its seals of office.

Resolution reported and concurred in.

WAYS AND MEANS

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Rea in the chair.

Mr. Fleming (Eglinton) moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1961, the sum of $600,946,640.92 be granted out of the consolidated revenue fund of Canada, as set forth in the resolution concurred in this day in the committee of supply.

[Mr. Martin (Essex East).]

Mr. Pickersgill: Before the resolution carries, can the minister say whether there is enough in the treasury to meet this demand?

Mr. Fleming (Eglinton): This is not a demand; this is a matter of the provision of money that may be required over the months of June and July. All I can say is that the government will continue to meet its obligations as they come due.

Mr. Regier: May I ask the minister also whether there is enough money in this vote to adequately compensate those worthy servants of the public who will be charged with the responsibility of administering the public affairs of Canada, namely the civil servants of Canada?

Mr. Fleming (Eglinton): Yes. The resolution which was approved in committee of supply a moment ago makes that provision.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-62 for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall bill be read the second time? Now, by leave?

Mr. Pickersgill: By leave.

Mr. Fleming (Eglinton) moved the second reading of the bill.

Mr. Pickersgill: Mr. Speaker, I should like to ask the minister if he can assure us, since we only just got the bill, that the items in the bill correspond with those in the resolution.

Mr. Fleming (Eglinton): Yes, I give that assurance and also the assurance that the bill follows the usual form.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rea in the chair.

On clause 1.

Mr. Regier: I should like to say, Mr. Chairman, that while we are willing to allow the bill to go through committee at this particular time, it is our opinion that the government is in no way meeting its obligations to the people of Canada as they were given before March 31, 1958. I would ask the Minister of Finance when the government intends to commence actions with respect to meeting its election obligations to the people of Canada. In my opinion, the actions of the

government hitherto have been such that the government is not worthy of receiving any vote of any amounts of money.

The Deputy Chairman: Shall clause 1 carry?

Some hon. Members: Carried.

Mr. Regier: No, Mr. Chairman. I wonder whether I might ask the minister whether he might not consider my question worthy of a reply and if he would like a recitation of the assurances that were given to the people of Canada of what they would do if they were elected to office. I have a long list here. However, I feel that would be mere repetition. The minister is aware of the assurances they gave to the people of Canada. In our opinion the minister and his government are not worthy of being allotted any sums of money at this particular time unless they can give us an assurance that they have some intentions at an early date to meet a number of their obligations.

An hon. Member: There is a longer list of things done.

Mr. Regier: There is no list of things done.

Clause 1 agreed to.

Clauses 2, 3 and 4 agreed to.

Schedules A, B and C agreed to.

Preamble agreed to.

Title agreed to.

Mr. Regier: It will be a rough ride next time.

Bill reported.

The Acting Speaker (Mr. Rea): When shall the bill be read a third time? By leave, now?

Mr. Pickersgill: By leave.

Mr. Fleming (Eglinton) moved the third reading of the bill.

The Acting Speaker (Mr. Rea): Is it the pleasure of the house to adopt the motion?

An hon. Member: On division.

Motion agreed to, on division, bill read the third time and passed.

OLD AGE SECURITY ACT

AMENDMENT RESPECTING PAYMENT OF PENSION DURING ABSENCE FROM CANADA

Hon. J. W. Monteith (Minister of National Health and Welfare) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Old Age Security Act to permit payment of pension in prescribed circumstances to pensioners absenting themselves from Canada beyond the periods now prescribed; and to provide also certain saving and transitional provisions to protect and preserve the rights of pensioners so absent upon the date the said measure comes into force.

Motion agreed to and the house went into committee, Mr. Rea in the chair.

Mr. Monteith (Perth): I have a few remarks to make before this resolution is discussed, Mr. Chairman and I wondered whether the committee would see fit to call it six o'clock at this stage.

Some hon. Members: Agreed.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Monteith (Perth): Mr. Chairman, I think the purpose of this resolution is generally understood, but I should perhaps say a few words about it, reserving, of course, the details until the amending bill has been introduced and we have the text of it before us for debate on second reading.

When the Old Age Security Act was first introduced in 1951 it was considered by the government of the day that payments of pension to persons 70 years of age and over with the required residence qualifications should be limited to those periods of time when the pensioners themselves were actually living in Canada. This was in accordance with the provisions which had been in effect for over 20 years in the legislation which preceded the Old Age Security Act—namely, the original old age pensions act. Accordingly, the Old Age Security Act, as originally approved by parliament in 1951, provided that whenever an old age security pensioner left Canada his pension was automatically suspended for the period of his absence, subject, of course, to immediate resumption on his return. In all such cases, of course, the pensioner was entitled to his pension for the month of his departure and the month of his return.

In addition, section 5 (1) of the original Old Age Security Act went a little further by providing that the pensioner on his return might also be entitled to pick up his pension payments for a period of three months during which he was absent in any calendar year, provided that he returned to Canada within six months from the date of his departure.

At the time the law was first passed little if any objection was taken to the provision that I have described, and there were possibly good and valid reasons for such a restriction at the time. The new legislation

was being placed on a quasi contributory basis, and everyone living in Canada was, modities, as well as an additional 2 per per cent sales tax on purchases of most commodities, as well as an additional two per cent income tax levy on taxable income in order to help finance the new old age security payments. In addition to these levies, the corporation tax was also increased by an additional two percentage points at that time. Since these additional levies for old age security purposes were all initiated in 1952 no one could claim that because of contributions paid during an earlier period he had built up any acquired rights which would justify the expectation that he should carry his pension with him if he moved outside of Canada. Anybody moving to reside outside of Canada automatically ceased to pay any of the old age security levies I have mentioned, and consequently he could hardly expect to continue to receive an old age security benefit outside of Canada to which he had not previously contributed. In this context the initial provision for three months of permissible absence—in addition to the month of departure and the month of return —without forfeiture of pension was probably reasonably fair at that time, since it permitted persons to leave the country for visits of short duration and to spend the more severe winter months in warm climates, with automatic reinstatement of benefits on return to Canada and with little if any loss in respect of the periods of absence.

As the years have passed, however, individuals have begun to build up what might be described as acquired rights through contributions which they have paid through extra income or sales tax levies over a period which is now approximately eight years in duration. More and more, as time passes, these individuals come to feel that they have contributed to their pension through their working years; that it should be regarded as their retirement benefit as a matter of right; and that they should therefore not be required to forfeit their old age security benefit when they leave the country. In the view of many people, the provisions which were put in the Old Age Security Act in the first place, however justifiable they may have been at that time, are now coming to work a certain amount of hardship and unfairness on individual Canadians who have contributed to the old age security fund for a good many years and who now feel that when they reach the age of 70 and qualify for old age security benefits they should be free to take their pensions with them wherever they go.

It will be recalled that the government first reviewed this matter in 1957, shortly after it took office following the June, 1957 election. At that time the Old Age Security Act had been in effect only five and a half years. The rates of contribution were still based on the original 2-2-2 formula, and the maximum old age security contribution for any year under the 2 per cent income tax levy could not exceed $60. Consequently, apart from the amount of sales tax contributed by any individual for old age security purposes, no one at that time had contributed to the old age security fund, through the income tax levy, more than $300, or the equivalent of less than eight months of old age security benefit at the $40 rate then prevailing. Accordingly, while the government at that time decided that there should be some relaxation of the existing restrictions on the movement of pensioners outside of Canada, it did not feel that the time had yet arrived when it could recommend the full recognition of the principle that old age security pensioners should take their pensions with them wherever they went outside of Canada. In consequence, the government recommended, and parliament approved, an amendment to section 5 of the Old Age Security Act extending from three months to six months the period for which a pensioner returning to Canada could obtain reimbursement of pension payments covering the period of his absence.

The time has now arrived when in the view of the government there should be a much more substantial relaxation of these restrictions. Accordingly, the legislation which will be introduced upon the approval of the present resolution will provide for the following:

1. It will do away with the present provision which requires an old age security pension to be suspended when a pensioner leaves Canada.

2. It will substitute for the provision requiring suspension a new procedure which will permit pension payments to be continued in all cases of departure from Canada for a minimum period of six full months of absence in addition to the month in which the pensioner leaves Canada.

3. In the case of pensioners who have resided in Canada 25 years or more after their twenty first birthday there will be no limit whatsoever on the length of the period during which they may continue to receive their pensions outside of Canada.

4. Only in the case of pensioners who have less than 25 years of residence in Canada following their twenty first birthday will the six-month limit have any effect. Such persons, instead of having their pension suspended as soon as they leave Canada, which is the requirement under the present law, will receive their pension cheques in

the normal way for the month of their departure and will continue to have their pension cheques sent to them wherever they may be outside of Canada for a further period of absence up to a maximum of six consecutive months. If in the seventh month they return to Canada their pension payment will be paid as usual effective with the month of their return and will be continued thereafter without any interruption whatsoever. In the event, however, that they do not return to Canada before the end of the seventh month following the month of their departure from Canada, pension payments will be suspended and will be resumed only with effect from the month in which they actually return.

It will be apparent from what I have said in outlining the purposes of the new legislation that we are endeavouring by this legislation to provide substantially more generous treatment than at present to all classes of pensioners, but that we have as a particular objective the recognition of the valid claims of those long term residents of Canada who can show that they have lived the greater portion of their adult life in this country and who can therefore validly be said to have given most of the years of their life to the service of the nation. Not only have these people contributed as required under the various old age security levies during most or all of the eight years during which these levies have been in effect; but in addition to this, they may be considered to have contributed during their lengthy residence in Canada and during the bulk of their working lives to the taxes which have been required to build up and develop this country.

This group of pensioners which comprises, I may add, the vast majority of those who are presently receiving old age security benefit has, in the view of the government, and I am sure of the people of Canada, a very special claim for consideration in respect of the right to carry their pension with them for an indefinite period wherever they may move in Canada or outside of Canada following their attainment of the age of 70.

It should not be forgotten in this connection that in 1957 the government recommended, and parliament approved, an amendment to the Old Age Security Act which had the effect of reducing the residence requirement from 20 to 10 years. This means that it is possible for individuals on the basis of a relatively short period of residence in Canada to qualify for Canadian old age security benefits. It is even possible for an individual to come to Canada at the age of 60, when he has retired from active employment and when he may even have gone on to retirement benefit in another country, and through residence for 10 years as a retired person in Canada to claim the full benefit of old age security payments under our Canadian law.

I do not suggest that there are any grounds for questioning the right of such individuals to qualify for old age security benefit in Canada on the basis of such residence, since this is fully in accord with both the letter and the spirit of our Canadian legislation. Parliament decided in its wisdom in 1957 to make this generous provision for our older people, even for those who had newly come to Canada, and I have seen nothing in my experience with the administration of the legislation in the intervening years to suggest that this was not a wise and proper provision.

I do not think, however, that it would be expected by the Canadian people generally, or even by those who have benefited from our old age security provisions on the basis of a fairly recent arrival in Canada and a relatively short period of residence here, that they should be free after ten years' residence in Canada to return to their homelands or move to another country and take a lifetime Canadian pension with them. It seems to me, and it seems to my colleagues in the government, that while the right of a retired person to carry his old age security benefit with him wherever he goes should be recognized in principle and should be clearly enshrined in the law, it should at the same time be coupled with the principle that to qualify for such a lifetime benefit an individual should have contributed over a substantial period of years to the development of this nation and to the provision of those tax revenues which are required for the maintenance of government and services in this country, as well as the stability of the old age security fund itself.

Mr. Chairman, I think I have said enough at this stage to give the committee a fairly clear indication of the basic purposes which the amending legislation will seek to achieve if the resolution presently before the committee is given approval.

I have limited my explanations at this stage to the principal provision of the amending legislation to be introduced, but I should also mention that the bill will also contain certain purely technical provisions relating to the position of pensioners who are outside of Canada and whose pensions are therefore in suspense on the day when the new legislation will come into force. These transitional and saving provisions are of a purely technical nature, and I do not need to go into them at the present time beyond saying

that they are intended to regularize the position of absent pensioners under the new legislation and to deal with them so far as possible as though they had been in Canada on the day when the new legislation comes into effect.

With these explanations, Mr. Chairman, I should like to commend the resolution which is now before the committee and urge its speedy approval so that we can introduce the bill itself and proceed to more detailed consideration of the various points involved at the second reading and committee stages of the bill.

Mr. Martin (Essex East): Mr. Chairman, I am sure that all hon. members of the committee have listened with considerable interest to the statement just made by the Minister of National Health and Welfare. I wish to assure the minister that in so far as the principle involved in this resolution is concerned it will meet with the approval of those of us in the official opposition. There will be details, of course, which we will want to examine both during this particular discussion stage and more particularly when we deal with the bill itself.

At this stage it will be desirable to confine oneself mainly to the principle of the resolution, a resolution which modifies some provisions affecting those pensioners who for one reason or another desire to leave the country. The resolution, however, is not consistent with the affirmations that were made by the government when during the course of an appeal to the people members of the government indicated their intentions of removing the restrictions in so far as foreign residence was concerned of those who were entitled under the universal. Old Age Security Act to acquire benefits. The minister has indicated in his statement the reasons for this course and in so doing has confirmed at least twice during the course of his remarks the attitude that was taken originally with regard to this particular matter when the act was introduced in 1951.

It will be remembered and noted, of course, that the Old Age Security Act is the only universal system available to any group of senior citizens in any country of the world. Many countries have different systems of providing assistance to the aged. In our country in order to eliminate what was recognized at the time as objectionable—the means test—no other course, it was thought, was open to provide for that objective than to bring in the universal system that we now have in Canada. It will be recalled, too, that the universal system was established as a result of government policy supported by a careful study that was made of the whole problem by an all-party committee which issued a unanimous recommendation which found realization in the bill that was introduced in this house in 1951.

In order to fully appreciate some of the things that the minister has said and some of the considerations that were in contemplation at the time of introduction, it is important to know that while the present system is not a fully contributory one, it does recognize partially the principle of contribution, originally through the formula 2-2-2 and now, as the minister has mentioned 3-3-3. So, as a result, beneficiaries of this system while actually in receipt of a pension and living in Canada continue to enjoy its benefits and also have the opportunity of sharing in financial provision for the creation of the funds and the resources which make the system possible.

As the minister has said, when the present system was established there was no experience with prior contributions. No one had made any contributions to the fund at that time for the simple reason, of course, that there was no fund provided for up to that time. Therefore, in the first year it was not possible to say that any particular beneficiary had made contributions. Therefore, it would have been difficult to argue that there was, on the basis of contribution, any entitlement for beneficial enjoyment during long periods of absence or complete periods of absence from the country. Now we have had eight years of experience, and I agree with the minister the time has come when a pension having been acquired as a result of contributions and as a matter of right should entitle the pensioner to carry his or her pension outside of the country.

There will be discussion, of course, as to the restrictions which the minister proposes to see continued but with the general principle, as I said, we agree. Certainly the longer the act continues to be in existence that much greater will be the justification for the course which is being taken in principle tonight.

The minister has noted that the government itself since 1957 has moved carefully and slowly in this matter. It did not embark upon the present course in the first months of office. It wanted undoubtedly to see from experience whether or not its former or a priori declarations were sound. That the government has waited until this time is a confirmation of the course which was originally taken. As the minister said, I think quite fairly, there were quite good and valid reasons at the time for the restrictions that were imposed.

As he said, too, at the beginning, in 1952, there was no acquired right but that right

now has been acquired because the act has been in existence for almost a decade.

We were interested in listening to the outlines of what the prescribed conditions are. In the resolution these, of course, are not detailed. In the resolution which he has presented to the house the minister simply recommends to us:

> That it is expedient to introduce a measure to amend the Old Age Security Act to permit payment of pension in prescribed circumstances to pensioners absenting themselves from Canada beyond the period now prescribed.

The prescriptions which the minister has postulated are, if I have taken them down correctly, five in number. In the case of pensioners who have lived in Canada for 25 years there is to be no restriction whatsoever hereafter.

Mr. Monteith (Perth): Between 21 and 70.

Mr. Martin (Essex East): I thank the minister for this correction; who have lived in Canada for a quarter of a century between the ages of 21 and 70.

Mr. Monteith (Perth): During that period.

Mr. Martin (Essex East): During that period. There is to be no restriction, and any such person who leaves Canada will receive the pension for all time even though living outside the country.

In the case of people living here for fewer than 25 years there are restrictions—

Mr. Monteith (Perth): Again, between 21 and 70.

Mr. Martin (Essex East): And the minister again points out that the period of residence in that case will be calculated between 21 and 70 years of age.

When we get to the bill we shall want to examine the wisdom of that particular provision. If there is justification for taking the step that is taken in the case of people who have spent 25 years in Canada between the ages of 21 and 70, it may be difficult to convince some of us that the same principle should not be extended to others who have lived here for a period somewhere between 10 and 25 years.

The bill, however, must be recognized as one that is merely an amendment to an existing act. Although the minister referred to some other amendments that were made in an earlier period by this administration, I am sure he did not wish to leave the impression that as a result of this amendment the government is fulfilling all of its assurances with regard to old age security.

While I said that this was a system of assistance to the senior citizens of our country, based in part on the principle of contribution, it is not a fully contributory system and it could never have been otherwise, if it was to be universally applied, having as the objective for so doing the elimination of the very much objected to means test. But it must be remembered that in other jurisdictions, while there is no universal system such as the United States has, there is a system of contribution there that commends itself to many people in this country.

In the United States the old age survivors and old age security provision is one that applies only to a section of the population of that country, and while the beneficial results after a long period of trial are great, it is to be remembered that in the early stages the beneficial results are small, in some cases much smaller than the total amount of pension provided for under our Old Age Security Act. Nevertheless, the government itself did give evidence of its belief in this system. We will all remember the announcement made by the Prime Minister in January of 1958 that he had asked a distinguished professor in this country to make a study of the old age survivors system in the United States and that that study was to be prosecuted within a period of four months, thereby giving the impression that the government would implement at the earliest possible date after the four months something in Canada similar to the old age survivors system in the United States which, as I said, is a fully contributory system.

However, when the particular professor in question indicated that he could not possibly make the study within a period of four months he resigned or was asked to resign his assignment. To Professor Clark was given the important responsibility of making the assessment, and even in his case, there having been no indication that the study would not be terminated in less than four months, the impression was justifiably created that the government at the earliest opportunity was going to bring into Canada alongside and complementary to the old age security system a system somewhat similar to that in the United States. As we all know, Dr. Clark took more than four months. His study lasted over a period of a year. He presented to the administration and the country a volume of assessment without in any way making any recommendations from which one might conclude one way or another whether he was in favour of or against the adoption of the United States system.

But the government has had this report for a long time. No possible explanation can now be given that not enough time has elapsed between the receipt of that report and the present time so as not to justify the government of the day implementing the assurance

that it gave. The minister has been repeatedly asked in the house, several times this session and four or five times last session, what the government was going to do about the Clark report. On each occasion the minister would affirm quite studiously that the report was receiving careful study.

Mr. Monteith (Perth): It still is.

Mr. Martin (Essex East): The minister says it still is.

Mr. Argue: The same as the farmers.

Mr. Martin (Essex East): The minister will not misunderstand me if I say that the fact that the minister has taken and is taking this length of time to study this report reveals two things. First, it reveals that the minister is indeed a very studious minister. Second, it also reveals that this is a device, one not being employed for the first time by this government, to avoid taking a definite decision.

Some hon. Members: No, no.

Mr. Martin (Essex East): There again, every time one says anything the hon. gentlemen do not like they seek to make it difficult for one like myself, not too adept in debate, to make the remarks that I wish to make.

An hon. Member: We are just trying to keep you on the straight and narrow.

Mr. Martin (Essex East): I can only say that if hon. members who were in the house in 1958 recall the statement made by the Prime Minister when he announced the appointment of Professor Huson, who was to do this job within four months, they will not deny for one moment that at that time the definite impression was given that once the study was over the government would certainly bring in something like the United States has. There have been many speeches by hon. gentlemen who sit in the house now and who have been elected to the house as the result of the assurance given their electors—

Mr. Speakman: No assurance.

Mr. Martin (Essex East): —that the present government was going to bring in a system comparable to that in the United States. That undoubtedly is the case, and no delay in study, no delay in formulating a decision will convince any serious-minded member of the house or the great majority of the people of Canada that they were not taken in by the government with regard to this matter.

Mr. Speakman: Of course they were not.

Mr. Martin (Essex East): What is perhaps illustrative of the soundness of my position is that, without in any way detracting from Dr. Clark's report, there was and there continues to exist in the Department of National Health and Welfare all of the material that is required in the minds of individuals in that department well trained in this field who can supply every bit of information found in the Clark report. If the government in 1958 had wanted to implement the Clark report, if they had wanted to make that part of our form of pension arrangements for the senior citizens of this country, they did not need to appoint anyone to study the matter. They had the facts in the department. They could easily have taken action and by this time we could have had established in this country some kind of system alongside or in place of the present old age universal system that we have in Canada.

An hon. Member: Why did you not do it?

Mr. Martin (Essex East): My hon. friend says, "Why did you not do it"? If he will read the report of the all-party committee in 1952 he will get his answer. My hon. friend says, "Why did you not do it?" I want to tell my hon. friend that the government of which I was a member and the party of which I am a member—

Mr. Nesbitt: Would not do it.

Mr. Martin (Essex East): —were responsible for the old age universal system and, as a matter of fact, are responsible for every single piece of social welfare legislation on the statute books of our country.

Mr. Monteith (Perth): I cannot let that go unchallenged. Let us have none of that nonsense.

Mr. Martin (Essex East): My hon. friend says, "nonsense". We shall deal with that little bit of nonsense. All social legislation in Canada, including hospital insurance, was introduced by a Liberal government and very often, as the record will establish, in the face of Conservative opposition. Moreover, in 1957, during the last session when the Liberals were in office, all social security benefits were increased and the total amount involved on an annual basis was estimated to be approximately $133 million. During the same session, as a result of two years of negotiations with the provinces—

An hon. Member: Order.

Mr. Martin (Essex East): —legislation was introduced by the Liberal government in the field of hospital insurance, a program that now involves an expenditure of close to $300 million.

The Chairman: Order. I am sure the hon. member will realize that he is straying away from the resolution. The Chair has been very lenient up to now but for the benefit of the

committee generally as well as the hon. member for Essex East perhaps I should read the resolution, which is in these words:

> That it is expedient to introduce a measure to amend the Old Age Security Act to permit payment of pension in prescribed circumstances to pensioners absenting themselves from Canada beyond the periods now prescribed—

I doubt whether the Clark report or other security measures would be relevant to the resolution.

Mr. Martin (Essex East): Mr. Chairman, I am sure no one would quarrel with your decision. All I can say in extenuation is that the observation made by the minister was at least provocative—

Some hon. Members: Oh, oh.

Mr. Monteith (Perth): The observation made by you.

Mr. Martin (Essex East): —and on that count I was perhaps justified in giving a little bit of history, which I think hon. gentlemen require from time to time.

An hon. Member: We have heard the song long enough. You do not have to repeat it.

Mr. Martin (Essex East): I would simply say to the minister that this is a welcome provision in principle but not welcome in all of its details because I do not think it goes far enough and does not meet the whole problem that confronts the senior citizens of our country at this time. I would hope that the minister has given careful attention, as I am sure he has, to the Forand bill in the United States in which medical assistance for the aged is projected as one of the necessary objectives. Having in mind the cost of living in this country, having in mind the problem of geriatrics, the aging of our population, the federal and provincial governments —I have no right, of course, to speak in terms of what the provinces should do—should give consideration now to supplementing our universal system by some form of medical assistance that will relieve many hundreds of thousands of old age pensioners from obligations and concerns which they cannot possibly meet now under the present arrangement. I think that that is an act to which the minister will want to give his attention. The premiums for some medical plans are now beyond the reach of many of our senior citizens.

Mr. Chambers: On a point of order; surely, again, the Forand bill, a United States proposal, is away beyond what is relevant to the present resolution.

Mr. Chevrier: Why is it?

Mr. Martin (Essex East): If the hon. member really had an opportunity, as I am sure he has not because of his many preoccupations, he would see the relevancy of extending the period—

The Chairman: Order; I think I should draw to the attention of the hon. member the fact that we are only concerned here with the payment of pensions to pensioners who absent themselves from the country, and not the addition of any amounts to cover the sickness of pensioners. I might draw the attention of the hon. member to citation 250 of Beauchesne's fourth edition, paragraph 3, which reads:

> The object of the resolution recommended by the crown is to give the house a first opportunity to discuss the advisability of making a certain expenditure. The details of the projected measure are not then disclosed and debate is confined to the resolution which should not be lengthy, although care must be taken that the terms used are sufficiently wide to cover the whole of the bill which will be subsequently introduced.

I think the wording of the resolution is clear enough, and that we should confine ourselves to the changes that permit the payment of pensions to pensioners who absent themselves from Canada. This is the only point under discussion.

Mr. Martin (Essex East): I am not going to argue with you, Mr. Chairman.

Mr. Harkness: You are not allowed to.

Mr. Martin (Essex East): My hon. friend the Minister of Agriculture, who is an authority on procedure as well as deficiency payments and a dollar per acre assistance, tells me I am not in order. I am sure if we discussed agriculture we would be out of order. I am not going to argue the point, but I have always understood that on a resolution of this kind one is at liberty to discuss alternative arrangements which might be supplementary to those proposed in the resolution, provided one dealt with the subject matter. This is the subject matter.

Mr. Harkness: What I said to the hon. member was that he was not allowed to argue with Your Honour in connection with your ruling.

Mr. Richard (Ottawa East): You have done that before.

Mr. Martin (Essex East): I am sure, sir, the Chair would be the last person to accept that suggestion. What my hon. friend is saying is that once the Chair takes a position it is not open to an hon. member to seek to persuade the Chair that the course he is suggesting is wrong. This would mean that we would not be allowed the right, in this parliament, to discuss a question of procedure. That may be my hon. friend's concept of free discussion, but it is not mine.

Mr. Harkness: You know quite well you are not allowed to argue with the Chair.

Mr. Chevrier: Do not make so much noise.

Mr. Martin (Essex East): As I said to the minister, the principle of this resolution is acceptable. We do not believe that in all particulars it goes as far as hon. gentlemen said it should go and would go. We do not believe it goes as far, in some cases, as it is desirable to go. We do not believe that this resolution provides an answer to the problems confronting our senior citizens, but the principle of this resolution is accepted, and in the presentation of this resolution what the government has done is—

An hon. Member: What you did not do.

Mr. Martin (Essex East): —to confirm the course taken by the government in 1951, a government which as I said a moment ago, not only introduced this particular legislation of which this is an amendment but introduced every single act of social welfare on the statute books.

Mr. Monteith (Perth): Again, I cannot allow that to go unchallenged, Mr. Chairman.

Mr. Martin (Timmins): This is one of those rare and happy occasions when I am in a position to compliment the government on a piece of legislation that they have brought before this committee. This amendment before us today concerning old age security is something with which we have not only agreed, but something with which we have agreed for a very long time. The members of this party have for years advocated this very thing that the government has introduced today.

Just to illustrate one of those occasions, I should like to refer for a moment to *Hansard* for October 16, 1957, page 55, which contains the report of a speech by the former member for Rosetown-Biggar (Mr. M. J. Coldwell), during the throne speech debate. I quote:

> May I add one other thing? I think the residential qualification should be discontinued. If a senior citizen wishes to reside perhaps in the United Kingdom or even across the line in the United States or elsewhere, the pension should be paid as of right. I say it should be paid as of right today because all the people are paying directly for it. This is no longer a gift from the treasury as it was. Right from the time a young Canadian begins to earn he is going to pay 2 per cent of his personal income tax into the social security fund. Two per cent of the corporation tax and 2 per cent of the sales tax which everybody pays also will go into that fund. Our citizens are paying a fairly substantial premium if it is considered over the working period of life of a young man or woman today. The disqualification on account of residence outside the borders of Canada should, we think, be eliminated as well as the time for qualification reduced as is foreshadowed in the speech from the throne. It is our contention that this pension should be paid as of right.

[Mr. Martin (Essex East).]

I am very pleased, Mr. Chairman, that the government has finally introduced this measure. I must say I have to disagree with some of the remarks the minister made when he was introducing this resolution. He made reference to the fact that it is only because this is now a contributory plan that the senior citizens of this country really have any right to this pension. I think that was a very wrong picture that was painted across this country for years, because the impression was given that the pension was something from a benevolent kindhearted, good father sort of a government. Really, you are not giving your senior citizens anything when you reach in their back pocket, take a dollar and hand 50 cents back to them. Even when there was no direct contribution to this old age pension, it still came out of the pockets of those people who paid taxes.

I do not intend to speak very long on this resolution tonight, Mr. Chairman. However, I should like to dwell briefly on the residence clause that the minister mentioned. It is quite true that a very good financial case could be made for the fact that if a senior citizen only has to be in this country for 10 years before he can qualify for the old age security, providing he has the other qualifications, his contributions may not amount to enough to pay his pension if he returns to some other country. I think there is a matter of principle involved here, too. We are toying with a problem that has arisen before. Are we going to have two or three different kinds of Canadian citizens? Once a person has been accepted as a Canadian citizen, how can you differentiate one from another? As I say, Mr. Chairman, I am not going to deal with this matter at length tonight, but I think it is something we should keep in mind because it has risen before and I am sure it will come up again.

The minister pointed out something tonight that I think is quite significant. From the time the old age pension measure was first passed it took 20 years before there were any changes, any major amendments. Then from that time it only took nine years until there was another major amendment. Then, lo and behold, it only took three years before we got another. You can therefore see, Mr. Chairman, that the turtle of our social security program in this country is slowly starting to pick up a little bit of momentum. Maybe we can look forward to the time in the not too distant future when we can hope for improvements every year or two in our social security program.

With this hope in mind it may be that one of the other major faults in our old age security could be corrected—that correction was one that was promised by this government by a further increase of our present pension of $55 a month which in many cases is so hopelessly inadequate. The situation is hopeful for the citizens of this country if in the not too distant future our improvements start to pick up once in every one or two years instead of once in every 20 years as in the past. We can even hope that in the not too distant future we shall have a portable pension plan.

I listened closely to the remarks of the hon. and learned member for Essex East. He discussed for some considerable time this Clark report and this portable pension plan or one similar to that in the United States. However, I must admit frankly that when he got through I was still not sure whether he was for it or against it. I know he was against the government because they had not implemented it. Although I listened very closely, I do not know whether he is for or against it himself. However, I think this is a very good piece of legislation. I think it is one of the best we have had in the last three years since we have had a really progressive government during the 1957-58 session.

An hon. Member: They have made two changes.

Mr. Martin (Timmins): I hope we can look forward to many more pieces of progressive legislation in the future.

Mr. Payne: Briefly, Mr. Chairman—

The Chairman: Order. I had recognized the hon. member for York-Humber.

Miss Aitken: I always like to listen to the hon. member for Essex East. I feel that he provides drama in this House of Commons. He is so full of indignation.

An hon. Member: Righteous indignation.

Miss Aitken: Yes, righteous indignation. He is so full of righteous indignation that one really never knows what is going to happen. As a farmer, he is indignant over farm problems. As president of the Martin bureau of statistics, he is indignant over unemployment. Now, as a former minister of national health and welfare, he is indignant over the improvements we are making in our social security measures. He is an extremely versatile man. However, as has been pointed out by the hon. member for Timmins, he leaves us up in the air. We do not know whether he is supporting this bill to help our old age pensioners or whether he wants the old age pensioners—

Mr. Martin (Essex East): I am supporting the principle of it.

Miss Aitken: The hon. member says he is supporting it. That is the best speech he has made today.

Mr. Martin (Essex East): I am inclined to agree with the hon. member.

Miss Aitken: Ever since I first came into this House of Commons the old age security measures that were presented to the house, as the hon. member for Essex East keeps telling us, back in 1953—that was when I first came here—have always been of special concern to me because in my riding of York-Humber I have hundreds of elderly people who have benefited greatly by the old age pension. Really, to use the word "benefited" is to use an understatement because for scores of them it has meant freedom from want. I will therefore always support the Minister of National Health and Welfare when he brings in measures that improve these benefits for our elderly people.

There are some people who assert that this particular measure will inspire abuses. I suppose it will propably do so because when you enlarge good measures there are always people who will exploit them. But on the other hand we have had up until now one class of people who were penalized, who did not have freedom of movement. What this means is that we are doing a good thing for a very small class of people and we are removing an injustice. For this reason I support this particular resolution wholeheartedly.

But—and there is always a "but" when you are in politics; you always want something more, and I want something more—it is my understanding that the blind person's pension is lost when a blind person reaches the eligible age for an old age pension. That situation also applies to the disabled person's pension. I agree with the principle that no one person should receive two or three government pensions. However, this category of blind persons I feel is a category by itself. This pension is being given because of a special handicap which decreases a person's independence and increases the ordinary costs of living. I feel it has nothing to do with age. In fact, because of the infirmities of age, the blind person needs both pensions more than ever after reaching the age of 70. I would therefore ask the minister to take another look at this situation. I think it is one of the exceptions that invariably surround every rule. I do not believe that blind persons or disabled persons should lose their pensions when they become eligible for the old age pension. If they needed a special pension before they

were 70, they need that pension even more after they reach three score years and ten.

I know the Minister of National Health and Welfare has these pensions always under study and I ask him, if he will, in the not distant future to bring in another amendment that will wipe out that regulation that blind persons and disabled persons cannot have both the blind person and disabled person pension and the old age pension.

Mr. Crestohl: I most certainly welcome this resolution. I was very pleased to hear the minister in clear and lucid form present the arguments in support of the resolution, all of which were laudable and all of which I am sure are welcomed by every hon. member in this house. When the act was originally debated in 1952, I think it was, the same spirit was displayed in the house. Every hon. member of the house and all parties in the house favoured the bill and welcomed it and of course it has become law. I point out merely that we recognize—at least I do and I am sure many of my colleagues do—the fact that the minister's resolution and the address he made are most laudable. We recognize it.

Certainly the government will deserve the approbation of the country for improving the Old Age Security Act. But I ask hon. members to recognize at the same time that it was the former government which introduced this legislation. It may have had defects. Perhaps it did not meet all the anticipations. The minister's present proposal is nothing new. I should like to point out that when the matter first came up in 1951 I spoke on this bill at the time. I should like to indicate that I dealt with section 5 on that occasion and suggested that consideration should be given to old age pensioners who wished to live outside the country. I made that suggestion to the minister at the time, and proposed that it be incorporated in the bill. But reasons were given, as the minister made clear tonight, why it could not then be done. I should like to read part of what I said then on November 26, 1951. I am reading from *Hansard* of 1951 at page 1319:

> The Minister of National Health and Welfare has frankly stated during the debate that time and experience may suggest improvements.

It is logical that that should happen.

> At the risk of being redundant I want to ask the minister again to review section 5 of the act which deals with the suspension of the pension to anyone who leaves Canada for a certain period.

Thus the minister's present proposal is nothing new; it is not a new discovery. The point was raised before, though it was not put into effect for reasons which the minister has explained. I hope hon. members opposite will have the courtesy to recognize that this legislation was enacted by the former government and not by the present government. Of course, as time goes on situations change and improvements are possible. The financial status of people changes. The value of the dollar changes, and it is quite possible that things which could not have been done formerly can be done today. But this is not a new invention. It is not a stroke of genius on the part of the minister, but a natural development of the circumstances of our time.

Mr. Ricard: If it was good then, why was it not adopted?

Mr. Crestohl: If the hon. member had listened to the hon. member for Essex East, when he gave the explanation, he would know. When you introduce a piece of legislation you can go just so far. You cannot cover all the eventualities. Times change. Economics change. The government may some time be asked: why did you not increase the pension to $100 a month? Perhaps $100 a month is not feasible in the opinion of the government. Perhaps the economic situation does not justify it. They may some time be asked, why they did not make it $60 or $75, and the answer would be that circumstances did not permit it at that time. This was a most desirable piece of legislation when it was introduced. The whole country welcomed it. Why did not the opposition at that time make these proposals, if they say they would like them in the bill? As a matter of fact, a government supporter made that suggestion to the minister. I said as reported at page 1319 of *Hansard* of November 26, 1951:

> At the age of 70 and over people become quite frail, and frequently they are alone. They may have to leave Canada for short or long periods to preserve their health or in order to reside with a child outside of Canada rather than live with strangers or alone. If the denial of the monthly pension is to produce real hardship, the minister, I know, will have another look at this section of the act with a view to eliminating such a possibility.

The time has properly come. This government made certain promises to the people of Canada and the times now permit their present action. As I said, the cost of living has increased and the government goes forward, and eliminates a hardship which we at that time could not eliminate because of circumstances. I say very frankly that I recognize favourably the move which the government is now making. This is something which was promised; something which will stand up and be of real use. I dare say that when the bill is presented we may have further improvements to suggest. The government may reply that it cannot go quite as far as we would like in present circumstances.

That is quite possible. It is the kind of debate which does take place. But I ask hon. members who support the government to give due credit where it belongs for bringing in this legislation in the first place.

I find it necessary now to read a part of the speech made by the former minister of national health and welfare when he introduced this bill in 1951. At that time, the hon. member for Essex East said this:

> Mr. Speaker, the bill now under consideration is part of Canada's new program for old age security, climaxing a quarter century of progress in this field.
>
> The government's twofold plan for old age assistance and universal pensions represents the greatest single advance made in this country in our provisions for senior Canadians. It is a national vote of confidence in Canada's capacity to provide for the security of its older citizens.

That is the spirit which prevailed at that time. Certainly we welcomed it and the measure was unanimously adopted.

With regard to the resolution itself, may I say that the experience of the past eight years has revealed certain hardships and difficulties. Certainly the civil servants who administer the act have been very loyal and shown themselves very able, but they have often been confronted with difficulties and circumstances in which understanding is required. One of these difficulties stems from the fact that in many cases it is far from easy for our senior citizens to give satisfactory proof of age. That has been one of the complaints which I have encountered and which I am sure the department has encountered. In my own experience I have found very sympathetic understanding shown by the deputy minister and the senior officials in helping to solve the problems of people who have come to this country late in life after the destruction of records in Europe which would normally have provided proof of age.

A similar difficulty may arise with regard to showing proof of the date on which a person arrived in Canada, how long a person has lived in Canada and what interpretation may be given to the requirement of 25 years residence. Will that phrase mean 25 years consistent and continual residence in Canada, or will some allowance be made if an old age pensioner has been absent, say for a year or two, or for six months, during that period? I am wondering whether any hardship is likely to arise from the wording of the bill. I hope the minister will say that the provision does not necessarily mean 25 years continuous residence in the country.

I hope the minister and the government will approach this and similar problems with sympathy and understanding, and I hope this attitude will extend to whatever improvements we may be able to suggest to what I have no hesitation in calling a laudable piece of legislation. I am sure, too, that hon. members opposite who have asked why every possible provision was not inserted in the original act will now have—I will not say the courage—the desire and the intention of endeavouring to encompass everything of a constructive and useful nature which might lead to an improvement on the present resolution which the minister has put forward.

Mr. Payne: Mr. Chairman, I listened to the hon. member for Essex East with the same delight that many other hon. members of the committee experienced in listening to his oh so brief remarks as he brought to our attention the various sequences of thought which flickered across his mind, most of them completely irrelevant to the topic under discussion and the resolution before the committee.

I should like in what I hope will be a brief manner to say that I feel this resolution should be treated with a great deal of concern and speed. Rather than listening to recitations of past honours deserved or undeserved let us forget the baloney, take a look at the resolution itself and bear in mind for just a moment what the government has in mind which is to benefit the senior citizens of this nation.

I suggest that we vote upon this resolution promptly, save the time of the committee and at the same time bring a benefit to the senior citizens of this country.

Mr. Herridge: Mr. Chairman, I am going to be brief but I cannot resist getting up to express my support for the spirit, the principle and the purpose of this resolution. It is an amendment that has been urged upon former governments and this government by this group for many years. We are pleased to see the amendment which will mean so much to particular groups of our older citizens, those who require for health reasons to live in other countries perhaps to lengthen their lives and those who wish to return to their old country to live with family or friends.

In discussing a resolution of this type I not only see the resolution on the order paper and listen to the details of the debate but in my mind's eye I see the number of people in Canada who will be assisted by the resolution. I am sure we all rejoice in this opportunity.

I listened to the hon. member for Essex East with pleasure keeping my weather eye open to see what was coming next. I heard his reference to the Clark report and the intimation that the government should have hastened in

that direction. We agree with that but like a former speaker we could not help but wonder whether or not the hon. member was in favour of that action. The hon. gentleman is a master of the art of boldly marching forward while stepping sideways.

We in this group know where we stand. We hope the government will take action in the near future to develop in Canada an overall comprehensive national pension scheme to meet the needs of our citizens in their retirement years. We are in favour of that and will continue to advocate it but we believe this resolution is a step in the right direction.

Resolution reported and concurred in.

Mr. Monteith (Perth) thereupon moved for leave to introduce Bill No. C-63, to amend the Old Age Security Act.

Motion agreed to and bill read the first time.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Production and marketing branch—
10. Agricultural Stabilization Act administration, $315,130.

Mr. Martin (Essex East): Mr. Chairman, may I ask the minister if he is in a position to announce whether or not there will be a floor price on sugar beets? If he is not in a position to make that announcement can the minister say when he hopes to be in that position? When dealing with that perhaps the minister could tell us about my concern and that of other farmers in Ontario—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —as to when we may have some announcement with regard to a floor price on Ontario grown wheat, and also whether or not it is the intention of the minister to provide for a support price on wheat outside of the stabilization act.

Mr. Harkness: Mr. Chairman, when dealing with this matter last Friday I announced that there would be a price announced for sugar beets in the near future. That is the situation. I expect it will be announced in a few days' time. The same thing applies to the other commodities. An announcement will be made shortly concerning both wheat and soy beans.

Mr. Martin (Essex East): Can the minister say whether or not the government proposes before the end of this session or between the end of this session and the beginning of the next to withdraw the support principle under this act and provide some other system of assistance as it did in the case of hogs and eggs?

Mr. Harkness: I also stated last Friday that we would continue to support the maximum number of agricultural commodities as the necessity for that support arose by whatever means was most appropriate for the support, whether by means of deficiency payments, offer to purchase, flat payments or some other means.

Mr. Martin (Essex East): What the minister is saying is that we will be confronted sometime during this session or the next with further repudiations by the government of its price support policy under the Agricultural Stabilization Act?

Mr. Harkness: Mr. Chairman, this constant reiteration on the part of the hon. member for Essex East of words like "repudiation" and references along that line is something of which I am sure all hon. members of this committee have grown tired particularly when references of that kind have absolutely no foundation in fact. There has been no repudiation at any time as far as agricultural policy or the stabilization act is concerned. We have provided to the farmers of this country support on a larger number of commodities under the stabilization act than exists in most other countries of the world and so many more commodities than the former government of which the hon. gentleman was a member that there is no comparison. The government of which he was a member only in one year supported more than six commodities and the only time it did so was during the epidemic of foot-and-mouth disease. Apart from that, four commodities were the most they ever supported in any one year. Since we passed the stabilization act we have had over 20 commodities under support at all times.

(Translation):

Mr. Boulanger: Mr. Chairman, may I be allowed to say a few words on the stabilization of agricultural prices, particularly with regard to sheep and lambs.

We know, first of all, that on May 8, 1959, the agricultural prices stabilization board had announced a support price of $19.55 per hundredweight, in Toronto, for live lambs graded "good". In September of the same year, the board decided to buy from the packers lamb carcasses, graded "Canada choice" and "Canada good", which had been stored by the packers. In October 1959, the same board issued a release in which it

indicated its intention to purchase frozen lamb from the same organizations.

The first requirement of the board, was that to be eligible for purchase the lambs had to be slaughtered and graded in a registered slaughter-house, one in which there was official inspection and grading by the Department of Agriculture. Now we have in Canada small slaughter-houses, operated by individuals, that cannot share in the benefits of this legislation because they are not inspected.

I have received complaints from some of those individuals operating small abattoirs, and not eligible for the benefits of this legislation. Therefore, I ask the minister whether he intends to amend the board's regulations so that those small operators may share in the benefits of this legislation, in view of the fact that the regulations of the prices stabilization board, such as they now exist, discriminate against small operators.

That is so true that I have received a letter from an Ontario gentleman, from which I should like to quote a few words. The letter is signed by a Mr. Robinson, of Hannon, Ontario. I quote:

(Text):

The problem as presented by Mr. Robinson to me is that this subsidy which at the present time amounts to approximately nine cents a pound is not available to him since he runs a small slaughter-house. Although he advises that he does have Ontario government inspection, he is not set up to accommodate federal inspection in his packing plant.

Mr. Robinson cannot benefit from this recommendation.

(Translation):

Since this man's facilities are not inspected by the federal Department of Agriculture, he is unable to enjoy the same privileges as the large slaughter-houses. I therefore ask the Minister of Agriculture (Mr. Harkness) whether he intends to change the regulations so that our small businessmen may take advantage of the legislation and continue to operate.

(Text):

Mr. Harkness: Mr. Chairman, the regulations to which the hon. member refers really are health regulations. They are in effect for the protection of the Canadian public as far as the quality of the meat which they buy is concerned. Only meat that has been killed in inspected establishments, that is establishments which meet certain standards, can enter into interprovincial trade, and it is only from establishments of that kind, of course, that the stabilization board purchases meats of any kind, whether sheep, pork, or whatever it may.

If we did not do that we would be in the position of being unable to ship the meat that we purchase to any place where the market happens to exist, or ship it out of the country, or to any place else. It would be a completely impractical operation. The actual fact is that owing to our purchase of whatever meat is surplus from the inspected slaughtering plants, it means that the smaller slaughtering plants which have not met the standards of inspection have the ability to sell into a market which they would not have otherwise and are able to dispose of their products. Therefore, actually they suffer from no disadvantage at all.

(Translation):

Mr. Boulanger: Controls by the price stabilization board are a handicap to those small producers because those producers cannot afford to pay the same prices as the operators of large slaughter-houses. I feel, therefore, that such control is discriminatory against small producers, small businessmen, and operators of medium-sized slaughter-houses. Some of them might slaughter as many as 50 sheep every week; their slaughter-house is inspected by provincial officials, but they cannot take advantage of the legislation. As a result, they have to pay nine or ten cents more a pound for their lambs than the operators of large packing plants. That is why I suggest that this control is prejudical to small business and to small producers.

(Text):

Mr. Harkness: Mr. Chairman, once more I am afraid the hon. member does not understand the situation.

Mr. Boulanger: Yes, I understand.

Mr. Harkness: The price at which sheep or hogs are sold and so on, whether they are bought by a smaller packing plant or a large packing plant, is determined by the support price when the price of sheep is down to the support level. That is what determines the price of live lambs and the wholesale price of lamb products that are sold by small plants is determined in this way. The result, as I say, is that any surplus that exists is taken off the market by the stabilization board and the small plant is able to get the same price as the bigger plant, putting its product out into retail outlets or into wholesale outlets, except for the fact that some wholesalers will not buy uninspected meat because they cannot ship it across interprovincial boundaries and in some cities they are not allowed to sell it. The remedy for these small plants that the hon. member has mentioned is to bring the standards of their establishments up to the

health standards which we set so that they will be able to pass federal inspection.

Mr. Boulanger: How much would it cost to have federal inspection? I have a letter here which says it would cost half a million dollars to secure the equipment in order to qualify for such inspection.

Mr. Harkness: It costs absolutely nothing for federal inspection. We supply it free of charge.

Mr. Boulanger: It is the equipment.

Mr. Harkness: The concern has to bring its operations up to specified health standards which we must maintain if we are going to be able to send our meats into export markets, across interprovincial boundaries and into some cities which fortunately, I think, have pretty strict inspection facilities. Actually what the hon. member is requesting is that we should relax our health standards as far as the inspection and sale of meat are concerned. This simply means that what he is asking is that we should give our blessing to the possible sale of diseased or other inferior meat to the general public which of course we cannot do.

Mr. Boulanger: In our province we have classification inspection but we do not have health inspection. I do not know about the other provinces but in Quebec we do not have health inspection and nobody has died from any meat produced there.

Mr. Argue: Mr. Chairman, item 10 is one where the minister might give the committee some information as to the quantity of pork that has been handled by the board, the quantity of pork purchased from time to time in the recent past, some idea of the prices that have been paid for the various cuts of pork, the quantity involved, and some of the main companies that have handled this pork on government account, if the minister has that information. I am particulary interested in the business transaction that was carried out whereby I believe some of this pork was sold back to the packing companies from whom it had been purchased. I am interested in the price which these packing companies paid to the agricultural stabilization board for what I believe to have been very large quantities of pork resold to the companies.

Mr. Harkness: Mr. Chairman, I gave figures last Friday, which are to be found at page 3885 of *Hansard*, as to the amount of pork which we held in the form of frozen pork, as canned luncheon meat and as canned hams as of March 31 of this year. As far as total purchases are concerned, I cannot give complete figures except to say that altogether we purchased in the neighbourhood of 126,870,000 pounds of pork cuts of one kind and another. Some of this was sold back to be canned as canned pork and then we took possession after it was canned. Some of it was sold into the market. A certain amount was exported and some was put into canned hams. Therefore there is an overlap in the figures from that point of view. However, I think the inventory at the end of March is as definite a figure as I can give at the moment, and I have indicated that I gave that information last Friday.

With respect to the prices at which the various pork cuts have been sold, these have varied considerably. I have not got a list of the figures here. A return was asked for some time ago and I believe that return was tabled and is now part of the records of the house. The return shows what the costs and so on were. The return is about an inch thick.

Mr. Argue: Do you have the number of the return?

Mr. Harkness: I have not the number of the return. As I recall, the return was asked for by a member of the C.C.F. party. I have forgotten just who it was but I believe it was a member of your group.

Mr. Argue: It included figures of quantities of pork purchased?

Mr. Harkness: As I say, it is a very voluminous return; it is about an inch thick. There have been thousands and thousands of entries with regard to the handling of pork and therefore when the hon. member asks for figures it is a very difficult thing to give specific figures because there have been so many transactions in both purchases and sales. As the hon. member will realize, we were buying all this pork in the form of fresh pork cuts and we were not able to find storage space for all of it. Therefore we had to start canning it and what we did in a large number of cases was to buy fresh pork cuts, turn them back to an abattoir for canning and pay a canning fee on the pork. That really involved many cases of what one might call book entries.

We bought pork and we sold it back to the canning companies and then bought the canned pork from them. Actually what we were really doing was paying them for the canning.

Mr. Argue: What was the price received for pork bellies when they were sold back to the companies for canning purposes?

Mr. Harkness: We did not sell any bellies to the companies for canning purposes. You cannot can bellies. As the hon. member is

aware, bellies are chiefly fat and if you attempt to can bellies all you really get is a can of lard with a small amount of meat in it. Therefore no bellies were sold back for canning purposes.

Mr. Argue: Were bellies sold back to the companies?

Mr. Harkness: Bellies were sold untinned to the highest tenderer for rendering into lard.

Mr. Argue: Can the minister give us first of all the prices paid for the bellies; second, the quantities involved; and, third, the prices received for them?

Mr. Harkness: I have not the figures here that the hon. member has mentioned. I think they appear in the return to which I have referred, and all I can say is that if they are not there I will be very glad to supply them. Generally speaking, of course, we took a severe loss on bellies. There is no question about that because, as I say, once you have pork in the freezer for a certain length of time it tends to get what is known as freezer burn. You can hold it in storage only for a certain length of time. After these bellies particularly had been held for a certain length of time in cold storage we were completely unable to sell them either in Canada or abroad and we had to take some kind of action to salvage as much food value as we could. The only thing we could do was to sell them for rendering into lard which we did. I cannot recall offhand what the amount sold for this purpose was. We did dispose of a limited number of bellies overseas but otherwise they were sold for rendering into lard. We still hold quite a number of bellies and we hope we will be able to dispose of them either on the home market or abroad at not too great a loss. But with respect to the older ones which we bought at the beginning of the purchase program we had to, as I say, salvage what we could out of them and we did that in the only way it could be done, by selling them for rendering purposes.

Mr. Argue: Mr. Chairman, it puts the committee in a very difficult position when the minister does not have the information with him to answer the questions we ask. My information, obtained from some people in Edmonton—this is why I want some information from the minister—is that very large quantities of pork bellies were purchased by the board from packing companies at relatively good prices. They were sold back to the same packing companies from which they had been purchased in the first place, but they were sold back at such low prices as to be almost a donation to those packing companies. The feeling of the people who were talking to me was that the packing companies in the city of Edmonton had made a killing in this business and that the government and the stabilization board had really been taken in, and that this constituted a very substantial cost to the federal treasury.

I do not want to make assertions; I do not want to hurl accusations. I am trying to get some information from the minister on this item on these particular points. Since there are many millions of dollars involved I feel the committee has a right to ask for this information and to receive it before this item passes. I do not believe it is good enough when we are asked to look up returns in the house or when we are told we can get the information tabled at a later time. I think we should have this information when this item is being discussed.

Mr. Harkness: As I said, there is no question whatever of not providing all the information which it is possible to provide. The point I made before was that the information the hon. member requested could not be given here. If I were to give all of it we would be two days on this one subject because it constitutes thousands of entries. I say there is a very thick return in connection with it and these details can be looked up.

So far as the assertion about which the hon. member spoke and which he said had been made that the packing companies have made a killing in connection with these bellies, that is completely incorrect. We had one or two cases of people who bought these bellies on tender and who attempted to put the bellies back into the trade by selling them as bacon. Those people were promptly prosecuted. As a matter of fact, it cost them a considerable amount of money, rather than making a killing, to attempt to do it. We exercise very close supervision over the disposal of these bellies and we made sure that they were converted into lard. The prices that were paid for them were fairly low. As the hon. member probably knows, the price of lard is extremely low. Certainly, there was no killing made by the people who bought these and converted them into lard.

Mr. Argue: I ask the minister to bring to this committee, before this item passes some information, the information I have requested or enough of the information to give the committee a picture of what has happened. His officials are before him. It is the ordinary practice to ask the administration for details at this time. This is what the estimates are for. There are many millions of dollars involved, and for the minister to come in here empty-handed, without any information, is scarcely good enough.

I am going to insist, if the discussion should appear to determinate before ten o'clock, that this item stand until the minister can bring to the committee the information I have been requesting. This item is the whole basis of the government's support program which is under attack in the country, which I think has been a disservice to the agricultural producers of this country, which has cost the taxpayers a great deal of money and is doing nothing at the moment, in the opinion of organized agriculture on the prairies, except to cause hardship and to bring about a great deal of uncertainty in the agriculture industry. I believe the hon. member for Drummond-Arthabaska has some questions to ask. If he has not, I shall continue, but certainly we are entitled to this information and I hope we will get it.

Mr. Harkness: Mr. Chairman, as I said, we are quite willing and anxious to give any information which is requested. I am not clear what information the hon. member wants. As he put his question in the first instance I would have been required to be reading here for a very, very long time. The transactions which have taken place, as I have said before, have been thousands in number. What he asked was the price at which these pork cuts had been bought, and the price at which they had been sold.

Mr. Argue: Some general idea.

Mr. Harkness: If he would make it clear exactly what information he wants, I shall be glad to get it. As I say, I am not clear as to what information he does want.

Mr. Argue: Then I would ask the minister to provide this committee, beginning January 1, 1959, with the monthly totals of pork products that have been purchased under this act; the average price that was paid per month for the various cuts involved. I should like the average price that has been paid for the bellies that have been sold. I should like the average price that has been obtained from the companies, and I should like some indication of the largest purchases that have been made by some of the packing companies in the country. I should like the minister to supply the committee with the lowest tender price received by the government for the pork bellies which, according to the minister, have gone into the production of lard.

I just want a general picture of the operations of this board. Surely that can be done. The minister does not have to produce every single transaction; that is not the information we want. This committee is entitled, and I think the minister would be able to do it, to an outline to date of the general operations of the board, the general prices it has been paying from time to time, the prices it has been receiving from time to time and the cost to the treasury. Let us have enough information to find out how well these packing companies have done on their purchases.

Mr. Harkness: As I said, I will be glad to secure this information. I do not know whether it can all be secured in exactly the form in which the hon. member has requested it. If not, and if anybody really wants to go into this in detail, I think the best way to do it is to study the return of which I spoke. One of my officials tells me it has not been filed as yet. It went through my office three or four days ago.

Mr. Argue: You are now talking about something we have not got.

Mr. Harkness: I am always frank and honest with this committee. The hon. member is now trying to insinuate that I was trying to mislead this committee when I said this return had been made. It passed through my office several days ago, and I approved it. I thought it had been filed. My official says he does not think it has been filed. Why it has not, I do not know. In any event, that was the situation.

The point I am making is that if anyone wants to go into this in detail, it will be a matter of several days study going over these figures. In so far as a general picture is concerned, I will attempt to give as good a general picture as possible along the lines the hon. member has requested to the committee tomorrow morning.

Mr. Argue: I thank the minister for the conclusion of his answer. It is a little difficult for a member of the committee to be told over a period of 10 minutes that a large file has been tabled, a voluminous one that contains all the information that we are requesting and all we have to do is study it. I sent out for the return as soon as the minister mentioned it, and I am waiting to see whether or not the sessional papers office produces it. The minister has now said that he is not certain whether or not the sessional papers office does, in fact, have the return. It is therefore rather difficult for the members of the committee to deal with the problem when we are not even sure whether or not the return has been tabled and is available to hon. members.

Mr. Boulanger: Since the lifting of the embargo on imports from the United States can the minister tell us what quantities of hogs and hog products have been imported?

Mr. Harkness: I do not know the exact quantity but it has been almost negligible. A few trial shipments, small in quantity,

were sent over from the United States but they did not go very well. Apparently there was no profit in them and apparently there were no repeat orders. The prices in Canada and in the United States, when you take into consideration the duty, the cost of transportation and particularly the difference in quality, have been such that as to the shipment of United States pork over here since the embargo was removed, the possibility of it just really has not existed.

Mr. Boulanger: Can the minister give us the figures tomorrow?

Mr. Harkness: Yes, we can give the figure tomorrow, but I do not think the figure is material because, as I say, the quantities are extremely small. The total volume of imported pork, particularly in comparison with what we use ourselves and what we ship to the United States is just negligible.

Mr. Argue: For the information of the committee I may say that I have received a note from the page. I take it that it is from the sessional papers office. It is unsigned but it reads as follows:

Mr. Argue: We have nothing on pork purchases for this year.

This shows just how difficult it is to discuss this question when the minister tells us to look at a return that is not yet available. I hope that by eleven o'clock tomorrow this return will be made available. The minister said it will not be much good to us because it is going to take many days to study it. This is not a very satisfactory method by which to deal with the minister's estimates. He promised—and I know he will keep his promise—that tomorrow he will have available for us in summary form some of the information we have been requesting with regard to the details of the operations of the stabilization board. Therefore tomorrow we can continue with these questions on the basis of the information we are given at that time.

Mr. Boulanger: I have another question to ask the minister and if he cannot supply the answer to this question tonight, I will ask him to supply it for tomorrow. How many farmers are registered to receive the support price on hogs or what number of farmers or percentage of farmers or hog producers have received or are eligible for the support price?

Mr. Harkness: We will have that information tomorrow morning also. I think the committee realizes the fact that with the magnitude of the operations of the stabilization board, the statistics required to answer many questions of this sort would constitute an extraordinarily big pile, that this is not a matter on which an hon. member can ask a question and I or the officials can produce an answer instantaneously. In a large number of cases it is something with regard to which we require some notice so that we can have the files looked up and find the answer.

(Translation):

Mr. Boulanger: Could the minister tell us whether legal action was taken against farmers who took advantage of the Agricultural Stabilization Act under two registration numbers?

I stated some time ago that certain farmers were using two registration numbers. Therefore, I ask the minister whether legal action was taken by the Department of Agriculture.

(Text):

Mr. Harkness: I am sorry, Mr. Chairman, but I do not understand what the hon. member was talking about. Possibly the translation was not very good. Certainly I did not catch from it anything to which I could make a reply.

The Chairman: Shall item 10 carry?

Some hon. Members: Carried.

Mr. Argue: No. I would ask that item 10 be allowed to stand. There are still two or three minutes left.

Mr. Harkness: That is agreeable. We can allow item 10 to stand and we can go on to the next item.

The Chairman: Shall the item stand?

Mr. Argue: Let it stand until tomorrow.

Mr. Chevrier: The hon. member for Drummond-Arthabaska has a question that has not been answered because I think the minister stated that the translation was not too clear.

Mr. Martin (Essex East): Were there any prosecutions in the two cases to which the hon. member referred?

Mr. Harkness: I just could not get anything which I could understand through the translation system. I would suggest that the best thing for me to do, inasmuch as this item is going to be allowed to stand, is to read in *Hansard* tomorrow what the question was and then give the answer at that time.

Mr. Horner (Acadia): Before this item is allowed to stand, I should like to know whether anybody else besides the hon. member for Drummond-Arthabaska will be allowed to put his questions tomorrow. I am prepared to speak.

Mr. Boulanger: Go ahead.

Mr. Horner (Acadia): I am prepared to speak. The hon. member for Assiniboia went

to great lengths last Friday to condemn the policy of deficiency payments on hogs and to condemn the stabilization board for the reduction of the support price for hogs. At no time did he offer any solution and at no time did he state that he knew of a better method than a support price for hogs. All he did was to condemn.

Mr. Argue: There should be a floor price.

Mr. Horner (Acadia): There is a floor price now, and the hon. member knows very well how the floor price works. He went to great pains to point out what was wrong with it. But as to how to improve it, he mentioned nothing. He stated that production had increased and he thought that perhaps this increase resulted from the floor price being too high. I do not know whether or not he mentioned that. There was some reason for the increase. One reason for the production of hogs being as high as it was last year was that there was a surplus of grain to quite an extent three years ago on the prairies. The farmers were anxious to move this grain, and hogs provided an ideal outlet. They therefore went into the production of hogs.

The hon. member for Drummond-Arthabaska stated that because our pork exports were falling off we were going to be in a drastic situation with regard to pork surpluses, even with the present method of support.

Mr. Chevrier: Ten o'clock.

Mr. Horner (Acadia): Last week's support price on pork was as high as that in the previous year. If the hon. member will—

The Chairman: Order. I am sorry to interrupt the hon. member but, it being ten o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business is for tomorrow and for next week as well?

Mr. Churchill: For tomorrow we will continue with the estimates of the Department of Agriculture followed by those of the post office. On Monday and Tuesday there will be a supply motion. On Wednesday we have available for the consideration of the house the budget resolutions; No. 11 on today's order paper which is the resolution in the name of the Minister of Veterans Affairs with regard to War Veterans Act; then No. 6 on today's order paper which is the resolution in the name of the Minister of Mines and Technical Surveys concerning the Emergency Gold Mining Assistance Act; and No. 3 on today's order paper which is second reading of Bill No. S-27, an act to control and regulate the sale of feed. Thursday and Friday of next week will be available for estimates and we will have for those two days the two departments that I have called for tomorrow, if they are not completed, followed by the Department of Veterans Affairs, the Department of Mines and Technical Surveys and the Department of Transport.

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:

EXTERNAL AFFAIRS—PERSONNEL

Question No. 293—**Mr. Pigeon:**

1. How many civil servants were employed by the external affairs department through the civil service commission since June 20, 1957?
2. How many employees of the external affairs department have resigned since the said date?

Answer by: **Hon. Howard C. Green (Secretary of State for External Affairs):**

1. 588.
2. 333.

NEWFOUNDLAND HOTEL, ST. JOHN'S, NFLD.—OPERATING RESULTS

Question No. 356—**Mr. Tucker:**

1. Did the Newfoundland hotel at St. John's, Newfoundland, operate with a surplus in the years 1958 and 1959?
2. If so, what was the amount in each year?
3. If not, what was the loss in each year?

Answer by: **Hon. George H. Hees (Minister of Transport):**

Questions

The management of Canadian National Railways advise as follows:

1. and 2. Net profit after interest and depreciation:

1958	$153,224
1959	152,039

3. Not applicable.

COMMERCIAL AIR LANDINGS, FROBISHER BAY, N.W.T.

Question No. 370—**Mr. Hardie:**

How many landings were made by commercial air line carriers on international flights at Frobisher bay, Northwest Territories, in each month beginning January, 1958 to March, 1960?

Answer by: **Hon. George H. Hees (Minister of Transport):**

Landings at Frobisher prior to November, 1959 were not classified as to type of service in a manner which would permit the question to be answered for the period prior to that date. Since that date the information is as follows:

November, 1959	20
December, 1959	17
January, 1960	7
February, 1960	7
March, 1960	6

HOUSE OF COMMONS

Friday, May 20, 1960

The house met at 11 a.m.

IMMIGRATION

REFERENCE TO SPEECH BY PRIME MINISTER IN LONDON, ENGLAND, ON MAY 2

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 a speech he made in London, England, on Monday, May 2, a text of which I saw only this morning. He said:

> We shall be able to welcome and absorb into employment many tens of thousands of immigrants.

Will the Prime Minister comment on that statement made in London?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not think there is any necessity for any comment. It is very sure and very definite.

Mr. Robichaud: Tell us where.

CANADIAN NATIONAL RAILWAYS

LONDON, ONT.—TRANSFER OF CAR SHOPS TO MONTREAL

On the orders of the day:

Mr. Hazen Argue (Assiniboia): On May 6 the Minister of Transport informed the house that he would take the request of the hon. member for Essex East to the president of the C.N.R. I am wondering if the Minister of Transport can say, after taking this request to the president of the C.N.R., whether a meeting has been held between the president and the mayor of London, and whether he has intervened in the decision to close the car repair shops at London and move them to Montreal.

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker, I passed on the request of the hon. member for Essex East to the president of the C.N.R. I do not know whether a meeting has been held between him and the mayor of London.

Mr. Argue: Since this is a very difficult and urgent problem, would the minister care to get in touch with the president of the C.N.R. and make a report to the house?

Mr. Hees: Mr. Speaker, as I have explained several times in the house, I have talked about this matter on a number of occasions with the president of the Canadian National Railways. As a result of my speaking to him a re-examination of the whole situation took place in great detail. Every possible consideration was given to this matter. Every effort was made to keep the shops at London in operation and it was with great reluctance, as I have explained several times in the house, that the C.N.R. management had to come to the conclusion that it was impossible to keep the shops going. I am afraid I cannot tell the hon. member anything else.

Mr. Argue: A supplementary question—

Hon. Paul Martin (Essex East): May I ask a supplementary question. Will the minister, notwithstanding all he says, as Minister of Transport nevertheless seek to persuade, if that is all he can do, the president of the railroad who is in Ottawa today to meet with the mayor of the city of London in order to see if further consideration can be given to this matter? Surely the least we are entitled to—

Some hon. Members: Question.

Mr. Speaker: Order. The hon. member has completed his question.

Mr. Hees: Mr. Speaker, I have spoken to the president of Canadian National Railways who, as the hon. member said, is in Ottawa today. I have discussed this matter again with him, and he does not see any useful purpose in again seeing the representatives of the city of London.

Mr. Argue: A supplementary question. I wonder whether the minister is prepared to meet the mayor—

Mr. Speaker: Order. I feel that four supplementaries all to the same effect are enough for one question.

EXTERNAL AFFAIRS

ORGANIZATION OF AMERICAN STATES—CANADIAN PARTICIPATION

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Secretary of State for External Affairs, who is about to begin his important assignment in certain countries of Latin America, in connection with which I am sure the house

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wishes him Godspeed, if he has any comment to make about stories that have emanated from some Latin American questers suggesting that Canada is about to be welcomed into the organization of American states? Has the minister any comment to make in this connection?

Hon. Howard C. Green (Secretary of State for External Affairs): I should like to thank the hon. member for Essex East for extending his good wishes with respect to my trip to Latin America. In so far as any comments that may have been published are concerned, I can only say that no government policy has been decided upon, and if and when a policy decision is reached it will be made known to the house in the usual way.

PUBLIC SERVICE

REQUEST FOR STATEMENT ON SALARY INCREASE POLICY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister. I apologize for not giving him notice, but my staff only handed me this letter about 30 seconds before eleven o'clock. I have a copy of a letter written to the Prime Minister yesterday by Mr. R. A. Tooms, secretary of the joint action committee of the public service organizations of Canada. In this letter there is one short paragraph I wish to quote before I ask the Prime Minister my question.

Mr. Speaker: I am not sure that the hon. member is within his rights in undertaking to quote even a short paragraph. Can he not phrase his question without doing so?

Mr. Herridge: Yes, I think I can without too much difficulty. In this letter Mr. Tooms mentions that the current practice of the government on this vital matter, that is the giving of civil service salary increases to one group at a time and at different times, will most certainly cause permanent damage to the public service. When I read this statement I thought it was very striking indeed, and I should like the Prime Minister to comment if he would.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the Minister of Finance has dealt with this matter on a number of occasions, and when he returns to his place he will be able to give an effective answer as usual.

REPORTED FINGERPRINTING OF CIVIL SERVANTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister when the decision was made by the government to fingerprint civil servants, and for what reason?

Right Hon. J. G. Diefenbaker (Prime Minister): No such decision was made, Mr. Speaker.

Mr. Pearson: May I ask the Minister of Public Works whether it is not a fact that his employees are being fingerprinted; and if so, for what reason.

Hon. D. J. Walker (Minister of Public Works): Yes, Mr. Speaker; the Leader of the Opposition is quite right. I did state yesterday that certain categories in my department are being fingerprinted. They include cleaning classes exposed to documents, and the night elevator men, the night watchmen, the clerks and those to whom documents would be readily available should they seek to see them are being fingerprinted at the present time.

Although the Acting Secretary of State (Mr. Balcer) will give a full statement on Monday, my understanding is that this is something which was inaugurated by the civil service commission some time ago. I am not aware of the exact date when it started.

PUBLIC WORKS

LAKEHEAD—FINANCIAL LIABILITIES OF FILL CONTRACTOR

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I have a question for the Minister of Public Works. Several firms at the lakehead are holding n.s.f. cheques from Speckert-Morris Limited, contractor for the fill at the lakehead seaway terminal. Has the government paid the contractor for this work? If so, can the minister suggest how these local people can get their money?

An hon. Member: Prosecute.

Hon. D. J. Walker (Minister of Public Works): I want to thank the hon. member for giving me notice of his question. In reply I wish to state that the Department of Public Works has made final payment of $180,-999.84 for the filling works carried out under this contract.

This work is covered by a labour and material payment bond. Any parties having claims against this contract for labour or material payments should place their claims with the bonding company, which is the Canadian Surety Company, 320 Bay Street, Toronto, Ontario.

PARLIAMENT HILL

PARKING SPACE FOR VISITORS TO MEMBERS OF PARLIAMENT

On the orders of the day:

Mr. Alexis Caron (Hull): I wish to direct a question to the Minister of Public Works. Does the minister know that the few parking spaces reserved for local visitors to members of parliament have been taken away? Shall I repeat the question?

Hon. D. J. Walker (Minister of Public Works): If the question is being addressed to me, may I say that I have no such knowledge.

Mr. Caron: Then I should like to ask a supplementary question. Will the minister look into this matter and see that those parking spaces are restored?

Mr. Walker: I believe this is a matter for the Sergeant-at-Arms of the House of Commons, but if I can do anything to assist in the matter I shall be glad to do so.

(Translation):

[*Later:*]

Mr. Alexis Caron (Hull): Mr. Speaker, I rise on a point of privilege in protest of the fact that someone—I don't know who, because there is apparently no way of getting information about it—took upon himself to cancel the parking privileges which had been available to local visitors calling on their member of parliament. I feel that those spaces allotted to visitors were a privilege to which local members are entitled. When the mayors of certain municipalities in my area called on me this week, they were unable to find any allowed parking space for their cars.

We know that tourists are allowed to park on parliament hill, but local visitors calling on their member are placed in an inferior situation which cannot be tolerated, because I think the privileges of members are being ignored.

This action is an encroachment on the privileges of hon. members, and I ask that a member of the government see that they be restored.

(Text):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, on the point the hon. member for Hull has just raised, I believe it has been the practice in the past for somebody on the government side, usually the Minister of Public Works, to indicate what the position is; because I think the problem the hon. member for Hull raises is a serious one and one which has come up from time to time. Surely it can be rectified. All he is asking is that someone on the government side give the assurance that the privilege which previously existed should continue as it was in the past.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, may I just say a word on this, because last year I took part in discussions with Your Honour between the parties regarding the parking privileges, or the parking arrangements, on parliament hill.

Finally, it should be understood that while the Department of Public Works makes the over-all regulations with regard to traffic, including parking, on government property, and the Royal Canadian Mounted Police are then responsible for enforcing those regulations, nevertheless the Department of Public Works and certainly the R.C.M.P. recognize that although the precincts outside are not directly within the control of the house, nevertheless parliament itself has an overriding interest in the parking arrangements which are made on parliament hill. Therefore the matter of allocating spaces on the hill has always been discussed with and between the parties, as I understand it. Certainly this is the principle we like to follow and followed last year—that it is then for the Speaker and the Sergeant-at-Arms as a result of such discussion to determine what particular allocations of space will be made.

As far as I am aware there was no change in the allocation of spaces this year. Therefore I am not aware whether any spaces formerly allotted to visitors to members of parliament have been withdrawn. It seems to me that what is necessary if there is dissatisfaction with the allocation of parking space is that the parties should again meet with Your Honour and the Sergeant-at-Arms to discuss what changes or revisions, if any, should be made.

HOUSING

STATEMENT ON MEETING WITH NATIONAL HOUSE BUILDERS ASSOCIATION

On the orders of the day:

Mr. J. R. Garland (Nipissing): I wish to direct a question to the Minister of Public Works. Has he any information to give to the house with respect to his meeting yesterday with the national house builders association?

Hon. D. J. Walker (Minister of Public Works): I have several delegations a day that I meet, sometimes as many as 15. We had a very pleasant meeting. A great deal of progress was made in our understanding. I found the delegation very reasonable indeed. I derived great benefit from a consideration of their point of view, and I think they

obtained a certain amount of benefit from a consideration of ours. Whatever they have submitted to us will be taken up and studied by the government in due course. I believe a very full report was made in the press by that body after their meeting.

C.M.H.C.—DIRECT LOANS TO BUILDERS

On the orders of the day:

Mr. W. C. Henderson (Cariboo): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Has any favourable change been made in the housing situation? The $5,000 limit is too high for the country I come from.

Some hon. Members: Hear, hear.

Mr. Henderson: Thank you, gentlemen. I have had numerous telegrams—

Mr. Speaker: Order. I suggest the hon. member reserve the rest of his remarks for the estimates and leave the floor to the minister, if he wishes to reply.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I want to thank the hon. member for Cariboo for asking this question. It gives me the opportunity to say that as far as N.H.A. direct loans by Central Mortgage and Housing Corporation, which are limited to people with incomes of $5,000 or less, are concerned, we have already received applications which amount to $50 million. I can say this; even with this limitation the sum of money the government has earmarked for loans, in the amount of $150 million to $175 million, will be lent out before the end of the year.

Now, I should like to accommodate all members of the house, and particularly my friend the hon. member for Cariboo, by increasing the limit to $6,000. If that were done, Mr. Speaker, all the money would probably be allocated by the end of June, and we do not want to be in that position. I can say to hon. members that in any situation where there is a cutback there is always inconvenience and hardship. No one appreciates that more than I do. We have done our best to ameliorate the hardships as much as we possibly can.

Hon. members will be delighted to learn that the approved lenders who were so slow in coming into the market are now really coming into it in volume, and with the interest rate on bonds down to 4.5 per cent there is now a considerable differential between government mortgages at 6¾ per cent and bonds at 4.5 per cent. The result has been that the approved lenders are coming into the market.

[Mr. Walker.]

Mr. J. R. Garland (Nipissing): May I ask a supplementary question. The minister has mentioned the rather large number of applications he has received. Can he say how many have been approved?

Mr. Walker: I have not that figure at the moment, no.

[*Later:*]

Mr. Garland: Mr. Speaker, I wish to direct another question to the Minister of Public Works. In view of the fact that loans under the National Housing Act are down 76 per cent in the first four months of this year, will the minister now consider recommending to his colleagues that the amount of money to be made available for direct lending be increased this year?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the figures used by the hon. gentleman are not correct. The debate on housing closed some time ago but it seems to be continued every day during orders of the day. I can only repeat to my hon. friend that the question of housing, as he well knows, is under constant and continued study by the government, and things are looking up very nicely at the present time.

NATIONAL DEFENCE

BOMARC MISSILE—REPORTED STATEMENT BY POSTMASTER GENERAL

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I ask a question of the Postmaster General. According to this morning's newspapers it is reported that at a meeting yesterday he said that the plan to use the Bomarc missile should be carried out, giving as one reason that this plan costs only 1 per cent of the national budget. I would like to know from the Postmaster General whether that was the only reason given by him. If not, what were the others?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, this matter has been considered at great length by the Minister of National Defence and it has been explained to the house. If the hon. member had been present and had been listening on those occasions, he would not have to ask questions like this.

(Translation):

C.M.R.—STATEMENT ON PROPOSED DEMOLITION OF HISTORIC BUILDING

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in reply to a question asked by the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis)

which was a repetition of a preliminary question he asked last year on the demolition of two buildings located on the grounds of the St. Johns Military College, I wish to say that the matter is still under consideration and that the situation has remained unchanged since last year.

(Text):

POST OFFICE DEPARTMENT

ROUGEMONT, QUE.—REQUEST FOR STATEMENT ON ROBBERY

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I direct a question to the Postmaster General. Is the Postmaster General aware of the fact that during his trip to Paris no robbery was reported in Canada, but since he came back we have read in the newspapers that a robbery took place—

Mr. Speaker: Order. I feel sure that the implication in the hon. member's question will give rise to a question of privilege.

Mr. Denis: I do not want to impute motives.

Mr. Speaker: If he has a serious question, of course, he will be given the opportunity to ask it.

Mr. Denis: I should like the Postmaster General to comment on the last robbery which took place in Rougemont, not very far from his own place.

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, first I think perhaps I might deal with the first observation made by the hon. member for St. Denis. It merely shows that when I am in Canada I see that every possible bit of information is printed in the press regarding post office activities. It does not imply that I commit these robberies myself.

Second, and I think far more important, with respect to the time of this house and the efforts of this house to get through its business, when a department is having its estimates come up in about three hours' time I suggest that this sort of trivial question is completely unnecessary.

FLOODS

METROPOLITAN TORONTO—REQUEST FOR FEDERAL PARTICIPATION IN CONTROL MEASURES

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Northern Affairs and National Resources. Has the minister received a letter and documents from the chairman of metropolitan Toronto requesting federal participation in a comprehensive plan of flood control and water conservation in the metropolitan Toronto area?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Yes. I have also received representations from almost every member in the Toronto area.

Mr. Hellyer: May I ask a supplementary question. Will the minister give this request his most sympathetic consideration and receive a delegation of interested officials, if necessary, in order that a repetition of the tragic circumstances of hurricane Hazel may be avoided and life and property protected?

Mr. Hamilton (Qu'Appelle): Yes, Mr. Speaker.

INDIAN AFFAIRS

REFERENCE TO ARTICLE IN MAY EDITION OF "INDIAN NEWS"

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Citizenship and Immigration. My question is based on the current May edition of the *Indian News*, published by the Indian affairs branch, and relates to page 3 thereof, where there is a reference to the passage of legislation by this house, and other steps, with respect to the right of Indians to vote. Perhaps I could preface this by telling the minister that there is a picture of the Prime Minister with excerpts from the remarks of the Minister of Citizenship and Immigration.

In order to prevent accusations of a partisan approach, would the minister in a subsequent edition ensure that there appear excerpts from comments of other hon. members in respect of their views?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I will be very glad to take the suggestion into consideration.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR LATEST STATISTICS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Labour. Would the minister inform the house as to the number of live claimants for unemployment insurance benefits as of the latest date in April for which such figures are available to him?

Inquiries of the Ministry

Hon. Michael Starr (Minister of Labour): Mr. Speaker, as of April 30, which is the last available compilation, there were 555,885 male claimants and 159,009 female claimants.

DEFENCE PRODUCTION

BOBCAT VEHICLE—INQUIRY AS TO STAGE OF DEVELOPMENT WORK

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I wish to direct a question to the Minister of Defence Production or the Minister of National Defence. Has the development work on the Bobcat armoured vehicle reached the stage where serious consideration is being given to letting a contract for its production?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, in reply to the question raised by the hon. member for Port Arthur may I say that I shall have to take it as notice and advise him at a later date.

INQUIRY FOR RETURNS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, could I ask the Minister of Northern Affairs and National Resources whether he has had an opportunity to look into the returns I asked about a couple of days ago.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Yes, Mr. Speaker. The hon. member mentioned motions Nos. 11, 15 and 101. These turn out to be actually motions Nos. 22, 31 and 30.

Mr. Pickersgill: I took them from the list supplied by the Secretary of State.

Mr. Hamilton (Qu'Appelle): Yes. The hon. member used the list from the appendix of July 7. I am giving the actual motions.

Motion No. 22 requested all correspondence on the forest access roads and trails program in Ontario since January 1, 1958. I accepted this motion on February 2, 1959 on the understanding that the hon. member for Kenora-Rainy River, whose motion it was, would look at the files and point out the documents he wanted, and these would then be returned to the house. The hon. gentleman apparently has not yet done this; therefore the department feel they should wait for him to do so.

I should point out that in motion No. 36 of this session the hon. member for Assiniboia asked for information on the same subject but covering all provinces and that return will provide the Ontario material requested by the hon. member for Kenora-Rainy River. That motion has been accepted and will be presented to the house shortly. The material is all ready for tabling, but we have yet to receive replies from all the provinces.

Motion No. 30 requested correspondence on roads to resources with all provinces. This motion could not be returned, of course, until all the provinces had given consent. The Saskatchewan government signed only on March 11 of this year. This material, consisting of literally hundreds of documents, will be ready for tabling on Monday.

Mr. Pickersgill: Mr. Speaker, I should like to ask the Minister of Public Works whether he has had an opportunity to look into the returns about which I made inquiries.

Hon. D. J. Walker (Minister of Public Works): Yes, Mr. Speaker.

Mr. Pickersgill: Could the minister give an indication as to when they will be brought down?

Mr. Walker: Perhaps I misunderstood my hon. friend. To which returns does my hon. friend refer? I believe there were two.

Mr. Pickersgill: A couple of days ago I asked the minister about two returns to orders passed last year, and the minister said he would look into the matter.

Mr. Walker: I have done so, Mr. Speaker, and I am happy to say that within a week we will be able to have those returns.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

10. Agricultural Stabilization Act administration, $315,130.

Mr. Horner (Acadia): Mr. Chairman, as I started to say last evening, the stabilization board has done a great service for the farmers of Canada generally and particularly for those in western Canada in whom I am greatly interested. Last year saw a record number of hogs sold, second only to the year 1942. In some manner or other we were able to handle a large number of hogs and store the surplus, and now we are getting rid of the surplus. In 1942, the only other year that compares with last year, Great Britain had a great demand for hogs. During the war we exported hogs to Great Britain in considerable quantities.

Last fall the stabilization board was of great assistance to the sheep industry when

lambs had to be supported, largely due to the scrapies disease that afflicted some of the western flocks, when some of the states south of the border placed an embargo on lambs going into that country. What would have been the price of lambs last autumn had there not been a support price? I think chaos would have reigned in the sheep industry. I know that neighbours of mine who sold lambs were greatly worried. In my opinion the stabilization board played a vital role in supporting the lamb market last year, and I was pleased to note that this support cost the board only $360,000.

As I mentioned last evening the hon. member for Assiniboia made no recommendation as to how to improve conditions or provide support for deficiency payments. His main argument was on behalf of the large producer. I think it is evident that the deficiency payment is made on hogs particularly to assist the small producer. I have always advocated deficiency payments on hogs and did so a year ago before the government brought them into effect. The small producer receives as much benefit as the large producer, and that is perhaps the way it should be. Surely the small producer has a right to as much support from the federal treasury as does the larger producer.

The hon. member for Assiniboia went on at great length to tell us how disappointed he was in the Conservative party, and how at one time he had great hopes for it because of the young members who were elected in 1957 and 1958. He did not say what hopes he had for his new labour party, of which he has become a member. He did not say that the Saskatchewan government has not adopted the labour party; he shied completely away from that.

He says he is disappointed in some of the Conservative members. I am disappointed in him as representing a rural riding of farmers. I am afraid he has sold them down the river to the labour party, which is controlled by unions in the United States. This is what has happened, and this is what is concerning farmers. He has joined a party which is dominated by international unions in the United States. He has sold the farmers down the river, and the Saskatchewan government has realized that fact and is playing safe until after the election of June 8.

I am told that somewhere around 85 per cent of the producers of hogs sell only 100 or fewer than 100 grade A and B hogs in a year. Eighty five per cent of all hogs sold grade A and B; therefore it is evident that by far the majority of the small producers particularly are being supported by this present stabilization method. The only ones that I could see it would hurt would be some of the larger producers whom my hon. friend from Assiniboia is attempting to support.

The hon. member for Drummond-Arthabaska said that hog exports had fallen 30 per cent. I am looking at the livestock trade report put out by the Department of Agriculture for the week ended May 12. Exports of live hogs to the United States are more than double those from January 1 to May 7 of last year. I am quoting from page 13 of this report. Live hogs exported to the United States this year ran over 3,300; last year they were around 1,400. On the same page we find the pork exports. They may be down 3 million, but a little further along I notice that canned meat is up over 6 million. Without doubt a great deal of canned meat consists of pork, and I would say that roughly our pork exports are holding at about the same level as last year, and certainly are not down 30 per cent. Where the hon. member got this figure I do not know.

He said that the main object of the stabilization board appears to be to reduce the surplus. It would be easy for the stabilization board to reduce the surplus. All they would need to do would be to do away with support altogether. If that was the main object of the government they could bring in a measure that would do away with support of hogs altogether, if the object was to reduce the surplus. Certainly surpluses have to be managed. The money from the federal treasury has to go to the small producers, or those who are in trouble. Certainly it is the small producer who needs the financial backing, and he is entitled to as much assistance as the large producer.

As I said, I have always advocated a deficiency payment plan on hogs. Perhaps it should have been initiated before the support price was lowered to 80 per cent of the 10-year average. I hope the minister and the government will see fit to make a semi-annual payment on hogs. The farmers of western Canada particularly are accustomed to interim payments and final payments on their grain. We have been paid our deficiency payment on a half-yearly basis, and I hope the government will see fit to make a semi-annual payment, perhaps on July 1 of every year, on hogs.

I say this because as a farmer I know that a few years ago when I started out farming, in the middle of July I allowed an insurance agent to sell me an insurance policy which cost me $50. For the next six or seven years, whenever the insurance premium came due, I was broke, and I received notice after notice from the insurance company asking me to please send in my money or they would have to revoke the policy. It was always

after about the very last notice in September that I seemed to be able to scrape up enough money to meet the insurance premium.

It is in the spring and summer that the farmer is hard pressed for cash. I urge the government to consider this and make the deficiency payment on hogs on a semi-annual basis. The minister said it would amount to only $2 or $2.10 at the present time, but $2 each on 50 hogs in the middle of the year, assuming that the farmer sold 50 hogs in the first half of the year and 50 in the second half, would amount to perhaps $100, which would go a long way toward keeping the farmer mobile and in a position to pay his bills throughout the summer. As I said, this would be welcomed by the farmers and particularly the small farmers who are producing a small number of hogs and are perhaps faced with a great many financial difficulties at that time and cannot wait until January for the money for their hogs. It seems difficult for them to wait until next January to get deficiency payment assistance.

I know full well there may not be any payments next year because the price of hogs may come up high enough to raise the level. If this is so the government should raise the support level. I would like to see it come up, because the small producer needs this assistance. I hope we have enough of a surplus by the end of this year so we can increase the support level to where it was, namely 84 per cent, rather than the mandatory level of 80 per cent.

This is about all I have to say on the stabilization board. It has been of great service to the farmers. Since the March 31, 1958 election, referred to by the hon. member for Assiniboia, the farmers have begun to realize just what a good act it is and just how much it will support them in case of a sudden drop in prices such as in the case of lambs, which occurred last fall in western Canada. The stabilization board has been of great benefit to the farmers and I hope it continues to be of service to them for a good while in the future.

Mr. Argue: I rise at this time, Mr. Chairman, to answer some of the statements made by the hon. member for Acadia. I said in my speech a week ago I felt that the government premise on which this act was based was exceedingly shaky; that the government in fact was not carrying out the act as required; that instead of bringing in a type of deficiency payment the government in fact was robbing the farmers of the support price they had.

Mr. Horner (Acadia): Only the large farmer.

[Mr. Horner (Acadia).]

Mr. Argue: Robbing all the farmers, robbing every single hog producer it could—and it will do it—every single hog producer who has sold hogs far below the so-called stabilization price; because any deficiency payment that is made will be inadequate and will not be enough to bring up the lowest prices that have been paid to the producer to the so-called support level.

To that extent the government, I suggest, is breaking its own act. It has considered this act to be no more than a piece of paper, which it is tearing up in the eyes of producers, certainly in my view based on the clauses in the act, based on the statements made by the minister and government supporters in the past. In reading the act I see nothing in it to suggest that the 80 per cent price over a period of years is not to be maintained as a firm price by way of return to the producers on all of the commodities that have been covered. But this is not the case; this is not what the government is doing under the act, and I feel that the farmers are not getting what they are entitled to under this legislation.

During the past winter the federation of agriculture presented a brief on this subject to the government and to other members of the House of Commons, and in it they came out very strongly in favour of the offer to purchase method. When Right Hon. J. G. Gardiner was minister of agriculture I suggested that the farmers did not in every single instance receive the prices to which they were entitled under the offer to purchase method, but I have no hesitation in saying that they received a far larger share of the support price than under this legislation, which is robbing them of their just due. The hon. member for Acadia went far afield from this stabilization item—

Mr. Horner (Acadia): No farther afield than you.

Mr. Argue: —and in addition to some rather insulting and abusive remarks—

Mr. Horner (Acadia): Oh, terrible.

Mr. Argue: —he made statements that were most unparliamentary.

Mr. Horner (Acadia): You are one to talk.

Mr. Argue: He suggested that I had sold the farmers down the river—

Some hon. Members: Hear, hear.

Mr. Argue: —to some so-called labour party that is merely a figment of the hon. member's imagination.

Mr. Horner (Acadia): What do you call it?

Mr. Argue: He knows so little about these developments that he does not know it is not going to be and will not be a labour party, and the people who are most determined—

Some hon. Members: Order.

Mr. Argue: Mr. Chairman, I can answer the hon. gentleman who made these statements. This party for which we have been working will not be a labour party, and the people who are most determined to see that it will not be a labour party are the trade union members themselves.

Mr. Speakman: Controlled by American labour racketeers.

Mr. Argue: I did not hear that remark; perhaps the hon. member would like to repeat it. I heard something about labour racketeers. It will be very interesting to see these comments on the record made by hon. members who are attempting to malign the leadership of the trade union movement in this country.

Mr. Speakman: No, not in this country.

Mr. Argue: The hon. member for Acadia said I had sold the farmers down the river to a labour party comprising trade unions that, in his words, would be controlled by Americans. This is an old tactic. It is not a new tactic, but the old tactic of smear and divide and rule if you can. I was sorry to hear a very active member of the Conservative party use this occasion to try to drive a wedge between the farming people and the workers in other industries in this country.

Mr. Horner (Acadia): You have already driven a wedge.

Mr. Argue: This man is trying to stir up one class against another, and I think that is an abominable thing for anyone to do.

Mr. Horner (Acadia): What are your C.C.F. members doing?

Mr. Argue: I will take a back seat to no one as a champion of the rights of the farmers of this country, but in doing that I do not have to malign and smear trade union members or the labour movement of this country. In addition to a very large body of farmers in my constituency, I have the honour and privilege of representing many people who work in stores, garages, hospitals and the sodium sulphate plants in my riding, and who are members of the trade union movement. I think these people are just as honourable, just as honest and just as good Canadian citizens as any member of this house, and they will resent the implication by the hon. member for Acadia that they are being controlled by gangsters from outside this country.

Some hon. Members: Order.

Mr. Argue: It is very interesting to hear hon. members say "order". As a member of the house I have a right to reply to the statements which have been made. I agree that they were out of order, but as they have been made I have a right to reply to them. The hon. member said that I have sold the farmers down the river. I challenge him and I challenge the Minister of Agriculture, as I have on other occasions, to appear with me on a public platform anywhere in western Canada to discuss the government's agricultural policy, the way the minister has endeavoured to hoodwink the farmers of this country and how he has failed to carry out the promises of the government to bring about parity prices and adequate support legislation. I know the minister will not accept my challenge, because he is too timid to face the agricultural producers of western Canada and take part in a public debate to discuss the way the government has mismanaged the stabilization legislation, and how it has been instrumental in driving down the prices of eggs and hogs.

After his initial tirade the hon. member for Acadia got around to saying something about improvements that could be made in the act. Everything the government was doing was fine until he got around to talking about the act itself, and then he thought there were many things wrong with it. He suggested that there should be semi-annual payments on hogs because he knows, and he said so, that if the price of hogs should go up toward the end of the year then, on the statement of the minister, the farmers may be deprived of a deficiency payment even though their hogs have sold at far below the so-called stabilization price.

I suggest that what the farmers need and have a right to is a daily and individual accounting with respect to the prices at which they sell their products; and whenever the price of a single hog or a single dozen of eggs falls below the stabilization price the farmer who has sold the eggs or the hog should have the right to the difference between the stabilization price established under this legislation and the market price. This is the difference, Mr. Chairman, from the operation of the Canadian Wheat Board Act under which, when the initial prices and initial grades are established, there is a guarantee without qualification that when a farmer markets a certain grade and quantity of grain he will receive the basic initial payment. There is no such guarantee in this legislation. There is no guarantee in this legislation whatsoever. The farmers are

thrown on the mercy of the market, and if the farmers are taken to the cleaners completely the minister may then by his own formula give them some little hand-out after their products have been marketed.

Under the legislation we are now discussing the farmer cannot say, because no one can say, what his rights are having regard to the manner in which the government is administering the support legislation. Although farmers have sold hogs this year, some of them have informed me, for as low as 18 cents, 17 cents or 16 cents a pound, they have no assurance, and the minister will not give them any assurance now, that he will pay to them the difference between the price they received, which was well below the stabilization price, and the stabilization price.

This is a hit-or-miss method as far as the farmer is concerned. The main objective of the minister is to clean up the surplus, clean up the inventories and drive the farmers out of the production of hogs, drive the farmers out of the production of eggs, liquidate the farmers so far as being producers is concerned, because that is exactly what the minister is doing. Then he will say, "My legislation has been a great success. I have moved the surplus products, and this is the main thing I should be considering in connection with my legislation". I do not believe this is a good thing. The producers are asking for equity; they are asking for fair treatment; they are asking that the formula in this legislation be maintained and that they be not chiselled by the administration of this act.

Mr. Grafftey: Chiselled?

Mr. Argue: Do you want something stronger than "chiselled"? I think it has been stolen.

Mr. Grafftey: Stolen?

Mr. Argue: They have taken from them the thing they have a right to expect; and because of the statements made by hon. members opposite when this legislation was being put through this house—

Mr. Speakman: Why did you vote for it?

Mr. Argue: There is a brilliant question from my hon. friend.

Mr. Speakman: Well, you did.

Mr. Argue: Oh, I did, yes; in spite of the fact that my hon. friend and others wanted to twist the position we had taken in connection with the bill. We had a little more faith in the government at that time than we have now. We thought that when the bill was drafted in clear and precise English terms, the government would carry out the provisions of the legislation. We thought this was better than no legislation at all. We still have—

Mr. Ricard: You would vote against it today, then?

Mr. Argue: —in our memory the ringing declaration of the Prime Minister that his policy for agricultural producers was parity, not charity. Well, the parity has been forgotten. It went out the window when the Prime Minister got this tremendous majority in the house. Even by way of charity there is little going to the agricultural producers at this time.

I did not intend, Mr. Chairman, to reenter the debate on this subject at this time. However, the remarks of the hon. member for Acadia, in which he endeavoured to set one occupational group against another, were of a character that should be answered.

Mr. Harkness: Mr. Chairman, I feel that I should say something at this time, in view of the tub-thumping political speech which the hon. member for Assiniboia has just delivered, and which is a repetition of one he delivered last Friday. In each case his statement was full of inaccuracies, and took no cognizance whatever of the practical situation in this country so far as the production and marketing of agricultural products are concerned. These statements, as I say, were intended purely for political consumption and really have nothing to do with these estimates or an examination of these estimates.

The hon. member for Assiniboia repeated today what he said last Friday, that the act is not being followed in so far as the provision of support at the mandatory 80 per cent level is concerned. This is completely incorrect. We are providing support at the mandatory 80 per cent.

Mr. Argue: Not to the farmer.

Mr. Harkness: Yes, we are providing it to the farmer. The hon. member and many other people have been going about this country talking about eggs at 15 cents and hogs at 16 cents, and various other figures along that line. In every case they have been picking out the lowest price at which any product has been sold at any time in Canada during the past several months. Then they say that is the price they are getting for their product. They say nothing about the fact that we have in effect the support price which is going to give to the farmers across this country the average support price. The support price provided for hogs, which is the average for Canada, is of course $22.65.

The hon. member and other hon. members who are talking for political purposes are only trying to stir up trouble. They omit to say that this support price is guaranteed to these farmers. What the hon. member is actually doing is constantly saying that we should have continued the support by means of purchase; and so are hon. members of the Liberal party. They say we should have continued the support by means of purchase, which was the method being carried on previously and which resulted in an accumulation of surplus products. The hon. member has asked a series of questions as to the prices paid for these products, and I shall proceed to answer them shortly. I hope the answer will present a complete picture and show how utterly impossible it was to continue support by the purchase method for a product such as hogs.

Mr. Argue: I wonder if the minister would permit a question.

Mr. Harkness: Just a minute; I should like to finish what I am saying. The hon. member for Assiniboia and hon. members of the Liberal party can talk about supporting these products by the method of purchase—

Mr. Martin (Essex East): Offer to purchase.

Mr. Harkness: —or offer to purchase, whatever you like to call it. It is actually by making a purchase that you support the price. Their thinking is 20 years out of date; that is what is wrong with it. They leave out of consideration entirely the growth of contract farming and the integrated operations which have taken place in this country in recent years, and which were going on very rapidly, so far as hog production was concerned, when we stopped it by putting the deficiency payment method of support into operation. As a result of the hog contracts which were being made and as a result of the big integrated operations which were taking place, the production of hogs was zooming up and up. If we had continued the offer to purchase method of support that production would have continued to zoom, and it would have been impossible to handle the product.

Under those circumstances it was absolutely essential that we change the method of support so that we could support all the bona fide farmers, but cut out from support those people who were contract farmers, many of them businessmen who were going into this type of operation because they had a guaranteed profit from the government on it.

The hon. member for Assiniboia and hon. members of the Liberal party, in continuing to insist that we should have in effect the offer to purchase method of support, are actually insisting we should continue to use the taxpayers' money to support the large commercial operations.

Mr. Argue: That is not true. That is a false and ridiculous statement.

Mr. Harkness: That is the actual fact. This self-styled defender of the small man, the small farmer, is actually insisting on a course of action which will support the large commercial farmers, the big feed companies, the abattoirs and people engaged in this kind of contract farming.

Mr. Argue: I rise on a question of privilege.

Mr. Grafftey: Take your medicine on the chin.

Mr. Argue: My question of privilege is that the Minister of Agriculture is putting words in my mouth which have never been there. He is giving a false statement. I have never at any time breathed one word of support in this house for the great corporations engaged in agriculture production, for the integrated farm or anything else. I have been an opponent of vertical integration, and I still am.

Mr. Harkness: I think you realize, Mr. Chairman, that this is a completely false question of privilege. There is no question of privilege involved. The hon. member is trying to say I did something that I did not do. What I said was, and I repeat, that by trying to insist that we keep in effect the offer to purchase method, he is in effect—these were the words I used—asking us to support the large commercial concerns to the detriment of the small farmer. That is exactly the situation.

Mr. Howard: In effect you are not telling the truth.

Mr. Harkness: Mr. Chairman, I would ask that you have that remark withdrawn immediately. The hon. member has said, "You were not telling the truth".

The Chairman: Order. I heard the words used. I think the expression is unparliamentary, and I am sure the hon. member for Skeena will withdraw it.

An hon. Member: Save it for television.

Some hon. Members: Withdraw.

Mr. Howard: I am sure the hon. member for Skeena would not care to withdraw what he said. What I said was "In effect the minister is not telling the truth". If the minister can use the expression "in effect" to introduce words which were never uttered by the hon. member for Assiniboia, then

anybody else has the right to do precisely the same thing. I know what I say.

The Chairman: I do not think it is necessary to discuss the explanation of the hon. member. What I was mentioning to him was the fact that under our standards the expression he used should be withdrawn. I am sure that on reflection he will withdraw it.

Mr. Howard: If I may speak to the point of order again, Mr. Chairman, may I say that we went through this situation with the same minister and myself a couple of years ago with regard to a somewhat similar expression. Even though I said that in effect the minister was not telling the truth, there is a vast difference between saying a person is not telling the truth and saying that he is telling a lie. I did not say that the minister was telling a lie.

Some hon. Members: Oh, oh.

Mr. Howard: There is a distinct difference there.

Mr. Grafftey: Will you explain it?

Mr. Howard: Certainly I will explain it.

An hon. Member: It does not require any explanation.

Mr. Howard: One of your colleagues over here asked for an explanation. Why do you people not keep in concert with each other? It is unparliamentary to say that a person is telling a lie because this is saying that he knows precisely what he is saying and that he is lying deliberately, is telling a falsehood, is distorting what I have been saying. But to say that a person is not telling the truth is namely saying in effect that he does not know what he is talking about.

Mr. Martin (Essex East): I rise on a point of order, Mr. Chairman. May I suggest to the hon. member, as one who occupies a neutral position in this situation, that he really ought to withdraw the words to which objection has been taken. I think he will find that such words have been interpreted by previous Speakers as being offensive and unparliamentary. In fairness to the hon. member—and I know he does not mean to violate the rules—may I suggest that he might use a more effective synonym and say that the Minister of Agriculture is guilty of a terminological inexactitude.

Mr. Howard: Speaking on the point of order, Mr. Chairman, may I say that I could not accept the suggestion of the hon. member for Essex East either. We know how smooth, capable and mellifluous he is in his ability to get around difficulties, to say one thing and put it in different words so the statement does not sound quite so offensive. What I said is quite true, Mr. Chairman; but on your insistance that this expression be withdrawn because it casts a reflection on the minister, I will withdraw it to that extent.

Mr. Grafftey: You are defying the Chair.

Mr. Howard: I am not defying the Chair. I have just said that I withdraw it. Does the hon. member not pay attention to what is going on?

The Chairman: Order. I think the incident can be considered as closed. I thank the hon. member for Skeena for withdrawing the expression.

Mr. Harkness: Mr. Chairman, I was just speaking of the really untenable position of the hon. member for Assiniboia and members of the Liberal party in continuing to insist that we should continue with the offer to purchase method of support of perishable products such as hogs, eggs and so on which can be produced in extremely large quantities. A system of that sort, of course, for those products encourages contract farming, integrated operations and so on which produce a quantity of these products which you just cannot handle. The offer to purchase method really comes down to this situation. You are using a great deal of the taxpayers' money to support people who are not farmers at all, or are not bona fide farmers, and there is no justification for using the taxpayers' money for this purpose.

Under the system we have in effect for both hogs and eggs there is real protection for farmers. In the case of hogs, something over 90 per cent of the hog producers—that is practically all the bona fide farmers—are fully protected on the prices of the A and B hogs which they deliver. All those farmers across Canada will get on the average the support price we have guaranteed. If the price they actually receive does not come to that amount, we will make a deficiency payment in order to make up the difference.

The hon. member was complaining that these payments are not on an individual daily basis. This would be a completely hopeless operation. The cost would be away out of reason. In addition to that consideration it just is not workable anyway, because then there would be no incentive to the individual farmer to get the best price possible for his hog or his group of hogs, and it would lead to one of the worst black markets that ever existed in this or any other country. It just is not a practical proposition from any point of view.

The hon. member advocates things along that line because he has no business experience and no practical experience in administration. He does not understand what he is advocating when he advocates these things.

Mr. Argue: The wheat board can do it.

Mr. Harkness: It is very easy for wild theorists to advocate all kinds of things, but most of the things they advocate are just not practicable or workable. That is the situation with regard to many of the things advocated by the hon. member for Assiniboia.

The hon. member went on to say that we are trying to liquidate the farmers as producers. The whole purpose of this scheme is to protect the bona fide farmer and to get the non-farmer—the businessman, the contract man, the feed company and so on—out of the production of hogs and eggs and other products.

The hon. member quoted the federation of agriculture and tried to make out that they were unanimously against this system and in favour of the offer to purchase system, something which does not happen to be the case. Some of the member bodies of the federation are certainly in favour of the offer to purchase system, particularly the ones that are dominated by the big producers. But he said nothing about the farm unions, who endorse this method of support. As a matter of fact he is generally quoting the farm unions here, but in this case he did not mention anything about them because he knows they support the deficiency method of payment in order to prevent what I have just been talking about, namely the growth of contract farming, integrated operations and so on. Hence this statement that we are trying to liquidate the farmers is the exact opposite of the case. We have put this type of support into operation for the specific purpose of protecting the bona fide farmer and preventing competition with him on the part of big business concerns.

As far as these general statements along that line are concerned, I think that is all the time I will take in order to deal with them at the present moment. There is just one other thing. The hon. member for Assiniboia stated that under the previous government the method of support in operation was much more advantageous to the farmers than is the case under the stabilization act.

Mr. Argue: No.

Mr. Harkness: If the hon. member says he did not say that, well and good. What did he say along this line?

Mr. Argue: I said the farmers got a higher proportion of the support level for their products than they get under this act.

Mr. Harkness: I do not know what the hon. member means when he says they got a higher proportion of the support level, but here are the actual figures of what they got. For the 12 years the Liberals were operating the Agricultural Prices Support Act the farmers got a total of approximately $24 million in payments under that act, except for hogs and cattle during the period of foot-and-mouth disease, when special measures were taken. A great deal of pork was canned at that time, and so forth. That canning and support program during the foot-and-mouth outbreak amounted to $36.6 million for hogs and $33.3 million for cattle. But apart from those special measures to meet the foot-and-mouth outbreak the total amount which the farmers received in 12 years under the Liberals was $24 million.

Mr. Argue: That was taken out of the treasury.

Mr. Harkness: Mr. Chairman, in the last year alone we expended $57.6 million. That is in one year alone, as compared with $24 million in 12 years; yet the hon. member says that under the previous government the farmers got more support than under this government. The figures themselves show how ridiculous is a statement like that, and every farmer in the country knows that is the situation. There is just no use arguing about the figures, because they speak for themselves.

As far as the argument the hon. member now makes is concerned, namely that they get a lot of other indirect support because the money was put out by the treasury, that is correct. It is correct now, it was correct then and it has been correct right through. As I pointed out last Friday, the actual amount of money which the treasury puts out is no measure of the amount of benefit for the farmers. I indicated some figures last Friday to illustrate that point so far as the dairy industry was concerned, and I will not repeat them again. But that statement applies now just as it did before. These figures actually indicate the disparity in support as between what was provided under the Liberal government and what has been provided under this government, and as I say there is no comparison.

Some questions were asked which I was requested to answer today. First of all the hon. member for Drummond-Arthabaska asked about pork imports into Canada from the United States since the lifting of the

embargo. Fresh pork, which includes trimmings, amounted to 1,067,000 pounds. In addition there was pickled and cured pork to Newfoundland, 691,000 pounds. That has been going on for years and is a well established trade. I might point out that the weekly kill during recent weeks has been running better than 21 million pounds a week. Information also is that the imports which were made were not successful financially, and repeat orders have not been going forward.

The hon. member for Drummond-Arthabaska also asked for the number of farmers who had registered for deficiency payments for hogs, and the number is 180,420. I have the figures broken down into provinces but I will not give them all unless he asks for them. I will give him the figure for Quebec, and that is 27,382.

The hon. member for Drummond-Arthabaska asked another question last night which I was not able to catch on the translation system. However, it appears in *Hansard* in this form as reported on page 2 of the translation:

> Could the minister tell us whether legal action was taken against farmers who took advantage of the Agricultural Stabilization Act under two registration numbers?
>
> I stated some time ago that certain farmers were using two registration numbers. Therefore, I ask the minister whether legal action was taken by the Department of Agriculture.

At the time the hon. member brought this up I first of all asked him if he knew of any cases of this kind, to give me the names of the people concerned and I would take immediate action. I have not received the names of anybody concerning this matter. Naturally I cannot send police officers around to investigate all the farmers in Canada. That is not a practical proposition, and in any event I would not do it. If a farmer had a police officer or some other investigator come around to his place and ask him a lot of questions as to whether he had two registration numbers or whether he was conniving with somebody else and having that somebody else use his registration number, then I think that farmer would have justifiable grounds for complaint. But if the hon. member, or if any other hon. member, can give me any specific case where they have reason to believe this practice is going on, we will deal with it, because we are most anxious to see the practice stopped.

The hon. member for Assiniboia asked me a lot of questions about statistical information. I now have that information here and am prepared to give it.

Mr. Martin (Essex East): This is with regard to the purchase of pork?

Mr. Harkness: Yes.

[Mr. Harkness.]

Mr. Martin (Essex East): In Alberta?

Mr. Harkness: This is not Alberta; this is Canada.

Mr. Martin (Essex East): I thought the question dealt with Alberta.

Mr. Harkness: The hon. member for Assiniboia asked me to provide, beginning with January 1, 1959, the monthly totals of pork products purchased under the act, the average price paid per month, the average price paid for bellies, the average price which has been obtained from the companies, some indication of the larger purchases which have been made, and the lowest tender price received by the government for the pork bellies.

Mr. Chairman, these are the pork cuts purchased, by the month: I will give the total poundage purchased and the average price. Starting in January 1959 the poundage was 8,603,000—in will leave off the hundreds—at an average price of 34.8 cents; in February, 13,597,000 pounds at an average price of 36.82 cents; March, 12,154,000 pounds at an average price of 37.25 cents; April, 26,878,000 pounds at an average price of 37.97 cents; May, 20,806,000 pounds at an average price of 37.71 cents; June; 8,690,000 pounds at an average price of 37.27; July, 5,548,000 pounds at an average price of 35.22 cents; August, 9,616,000 pounds at an average price of 36.15 cents; September, 13,138,000 pounds at an average price of 36.36 cents; October, 12,488,000 pounds at an average price of 38.2 cents; November, 9,043,000 pounds at an average price of 35.33 cents; December, 8,832,000 pounds at an average price of 33.53 cents.

Then for the year 1960, up to where the program ended; January, 19,693,000 pounds at an average price of 35.38 cents; February, 5,093,000 pounds at an average price of 35.37 cents; March, 606,000 pounds and I have not the price for that month. That makes a grand total of 174,780,000 pounds at an average price of 36.53 cents a pound. That covers the first two questions the hon. member asked, the monthly totals and the average prices paid.

The hon. member also inquired about the prices paid for bellies. That information is as follows:

Date	Toronto price
November 14, 1958	$32.00
January 23, 1959	33.25
March 9, 1959	33.75
March 23, 1959	34.20
April 6, 1959	34.45
April 20, 1959	34.75
May 18, 1959	34.45
June 15, 1959	33.80
July 13, 1959	33.55
July 22, 1959	34.05
August 10, 1959	34.65
September 21, 1959	34.95

Date	Toronto price
September 28, 1959	32.60
October 14, 1959	32.35
October 27, 1959	32.05
December 21, 1959	32.60
January 4, 1960	32.90
April 27, 1960	27.25

Winnipeg cuts $2.95 under Toronto
Saskatoon cuts $3.80 under Toronto
Calgary cuts $3.90 under Toronto

The hon. gentleman requested the information on a monthly basis, but I trust he will find this computation acceptable.

The next question related to the amount of bellies sold for rendering and the price received therefor. There were 13,578,410 pounds of bellies sold for rendering at an average price of 2.63 cents per pound. The highest price received was $3.60 a hundred; that is, 3.60 cents a pound. The lowest price was $1.50 a hundred.

Mr. Argue: Were the bellies sold for any purpose other than rendering?

Mr. Harkness: Yes, some were sold for export and so on. I will come to that. The hon. member wanted to know the names of some of the largest purchasers. I have the names of the four largest purchasers. That information is as follows:

Name of Purchaser	Quantity Purchased
Canada Packers Limited	7,701,512 pounds
Swift's	1,604,746 pounds
Legrade	1,366,232 pounds
Essex Packers	2,932,883 pounds

The last two are comparatively small packers; the first two are comparatively big packers. One of the three biggest packers, Burns and Company, does not apear on the list at all, which I think is sufficient indication that the statement made by the hon. member to the effect that someone had been making a killing out of this or something along that line is not borne out by the facts. If there was big money to be made in this I am sure the hon. member realizes that these companies would have been in on it as strongly as they could.

Mr. Argue: My understanding is that the companies that bought them in large quantities had them in storage in their own plants.

Mr. Harkness: That is not a fact. It was all in public storage. These bellies were taken out of public storage for the purpose of rendering.

With respect to export sales of pork cuts, a total of 18,111,761½ pounds were exported with a total value of $2,283,722.05. Of this quantity 2,190,366½ pounds were pork sides or carcasses sold to Czechoslovakia at a price of 18½ cents per pound to the value of $405,217.80. The balance of 15,921,935 pounds was made up of 14,840,717 pounds of bellies, 280,248 pounds of hams, 693,477 pounds of backs, 53,249 pounds of pics and 53,704 pounds of butts. The total return for that quantity was $1,878,504.25, at an average of 11.5 cents per pound.

I believe that concludes the statistical answers to the questions asked by the hon. member for Assiniboia. The outline I have given of the situation with respect to handling pork and the extreme difficulty I have mentioned that exists in trying to handle a large surplus of a perishable commodity of this nature is the best possible demonstration of the fact, as I said earlier, that an offer to purchase system is simply not practical or even possible for commodities of this kind.

Mr. Martin (Essex East): Mr. Chairman, the minister in his last remarks repeated what he said at the beginning of his last statement, and in doing so he attacked not only the opposition to our immediate right but also and more particularly the official opposition. If we said, as we continue to say, that this particular policy on hogs and eggs represents a repudiation of government policy I have no hesitation, notwithstanding what the minister said last night, in repeating it because that is exactly what this policy on hogs and eggs is.

I have before me the statement made by the Minister of Agriculture in this house when he introduced the bill in 1958. The minister said, as reported at page 3740 of *Hansard* of January 24, 1958:

> The main purpose of the bill is to provide guaranteed yearly prices which can be set for any agricultural commodity except wheat, oats and barley produced in the western area. These guaranteed yearly prices once they are set—

I ask hon. members to note the following words:

> —will be in effect for 12 months in the future. In other words the bill brings forward prices into effect for the first time, and it provides to the farmer, through the ultimate security clause, through the guaranteed yearly price which will be put into effect—and which will be the one chiefly in effect—a very much greater degree of security than he has ever enjoyed.

To that statement of the Minister of Agriculture must be added a statement made by the Prime Minister, who on the introduction of the bill—this, of course, occurred before the last election—had the following to say:

> This legislation if passed will permit the agricultural board to let the farmers across Canada know this year what shall be their minimum price during the present year. That is being done under this legislation to the end that the farmer may know—

And I underline the following:

> —in anticipation each year what he is going to receive. The objective is to give the farmers a fair share of the national income, in the fixation

of the prices, regard will be had to the cost of production in so far as the basic price is concerned, which is a price which I might call an emergency price, in order to protect it from a general fall as a consequence of economic dislocation everywhere, not only in Canada, but throughout the world.

These were the statements of the minister responsible for the introduction of the agricultural prices stabilization bill, supported by the words of the Prime Minister. The farmers were going to know in advance, 12 months ahead, what their situation would be in terms of price. I do not say that the government, having regard to the surplus of hogs today, is not faced with a serious situation, a situation which incidentally, they were warned about by the farmers of Canada when they fixed the floor prices of hogs and eggs at the levels they did some months before this change of policy was announced.

Mr. Barrington: Was it too high?

Mr. Argue: The hon. member for Essex East was in support of it.

Mr. Martin (Essex East): I stated what the farmers said. The regret is that the farmers' organizations were not consulted.

Mr. Barrington: What does the hon. member for Assiniboia say?

Mr. Martin (Essex East): My hon. friend must not let his temper rise too high; he must listen to a reasoned argument.

Mr. Argue: No.

Mr. Martin (Essex East): The fact is that farmers' organizations were not consulted. We ought to examine why the government repudiated, as I say it has, its support price based on the principle of offer to purchase, and decided on deficiency payments. We ought to examine the reasons for this change in government policy. They are not difficult to ascertain. As the minister himself said, the policy was changed because of overproduction and the rapid accumulation of stocks.

Mr. Harkness: May I ask the hon. member what he is reading from?

Mr. Martin (Essex East): I am not reading from anything.

Mr. Harkness: Yes, you are.

Mr. Martin (Essex East): Well, my hon. friend now charges me with something very unusual. I have always been accused of being too free and easy in my speeches. Now the minister says, because I am trying to be a little more precise and referring to my notes, that I am reading from something.

[Mr. Martin (Essex East).]

Mr. Argue: May I ask the hon. member a question. Is he reading from the Martin research bureau or the Pearson research bureau?

Mr. Martin (Essex East): What I am going to do is read from the "Current Review of Agricultural Conditions in Canada," page 41. This is what it says:

A very sharp increase in output of hogs was the most striking development in 1959 in the livestock section.

These are not my words; I am reading from a publication of the hon. gentleman whose intervention a while ago was designed to get me off the track.

Mr. Harkness: Mr. Chairman, I do not see this document which the hon. member says he is reading from. He is reading from a typewritten speech.

Mr. Martin (Essex East): Is the minister saying I am quoting from something different?

Mr. Harkness: No; I say you are reading from a typewritten speech.

Mr. Martin (Essex East): If the minister will look at the "Current Review of Agricultural Conditions in Canada" at page 41 for 1959 he will find what I have said. If he will look at page 44 he will see where his own publication estimated the stocks of pork accumulated as at December 31, 1959 at 201 million pounds, compared with an average of about 39 million pounds for the period 1947-1956, with 25 million pounds in 1957 and 47 million pounds in 1958. What is the explanation for this sharp increase in the output of hogs in 1959? There is only one explanation, and that explanation is government policy. That is why we have a right to say now that the government by its own action in 1959 was responsible for a situation which caused it to repudiate the policy and the concept of the Agricultural Stabilization Act. That is the situation now.

Mr. Chambers: How about giving the sow some credit?

Mr. Martin (Essex East): It made this change without consultation with the farm organizations. The minister did not consult the Canadian Federation of Agriculture; he did not consult the interprovincial farm union. This was a case where the government did not consult farm organizations but decided on its own policy, with the disastrous results we now see before us.

Surely, in the face of this situation, the minister is not justified in saying that there is no repudiation of policy. This minister in particular spoke of the Agricultural Stabilization Act as something that was designed to

give to the farmers of Canada a form of security which no other measure indeed would be able to do. He complained about an editorial which appeared in the Ottawa *Citizen* of April 6, 1959, and I now use his own words as they appear at page 2581 of *Hansard* of 1959. Here is what the Ottawa *Citizen* had to say, which the minister criticized:

> Under a support price, farmers know in advance the minimum returns they can except and can plan their program accordingly. If the floors are attractive, they become a powerful incentive to production. Under the deficiency payments scheme they don't know where they stand until after the product has been marketed.

I believe that statement in the editorial of the Ottawa *Citizen* was correct. What did the minister have to say? He said at the page of *Hansard* to which I referred:

> Well, this is completely incorrect as regards deficiency payment for hogs. We have announced a definite floor price and we are going to use the method of deficiency payments to maintain that price rather than the method of purchase. As I said, the writer of this editorial just does not understand the situation and what is meant by a deficiency payment, as properly used in this sense.

Then the minister went on to say:

> We will not be doing any marketing of pork at all. We will pay the farmer the difference between what he gets in the market place and the price support announced.

The minister nods.

Mr. Harkness: Correct.

Mr. Martin (Essex East): These are the words he used, and they are to be found on page 2581 of *Hansard*.

Mr. Harkness: Absolutely correct.

Mr. Martin (Essex East): I say that on that occasion the minister misled the house, because that is not the situation. What the farmer will get is not the difference between the support price and what he gets in the market place but the difference between the so-called support price and the national average price, which is another thing altogether.

The minister cannot deny this last response of mine to his nod of a few moments ago. The original statement was correct. No matter what forensic arts the minister may devise, the fact is that he has repudiated his own policy by the deficiency payments on hogs and eggs, and he does not satisfy us in the official opposition that the government does not intend to continue a process of further repudiation of its policy by applying the principle of deficiency payments or some method other than those concepts envisaged and embodied in the Agricultural Prices Support Act.

If the minister has some policy in that regard he ought to tell the house; he should not wait until we leave here some time toward the end of August to state what the policy is going to be. Parliament is now in session. If the government has further intentions with respect to withdrawal from the agricultural prices stabilization legislation, now is the time to say so in order that we may be given the opportunity of knowing what are the facts. If the minister takes that course I think he will find we will be inclined to assist him by constructive criticism, as is always our intention and purpose.

Mr. Harkness: Mr. Chairman, I think it is quite apparent that no matter what the present government does it will not meet with the approval of the hon. member for Essex East. He will condemn it no matter what it is. If we had set the support price at half the level at which it was set it would be no good. If we had set it at twice as much it would be too high. It would not matter where we set it, because as far as the hon. member for Essex East is concerned it would be wrong. I think everybody in the house realizes that is a fact. I only hope, and I think this is increasingly the case, that people throughout the country realize that is a fact.

Mr. Martin (Essex East): You will see when the elections come.

Mr. Harkness: The hon. member's tiresome repetition of the word "repudiation", in which he has indulged time after time after time, certainly does not carry any conviction to anyone. If he thinks that by adopting the method of Dr. Goebbels of repeating an incorrect statement time after time after time he will eventually be successful, I believe he is wrong as far as the farmers of the country are concerned.

Mr. Argue: I rise on a point of order. If I understood the minister's statement correctly he said that the hon. member for Essex East uses the technique of Dr. Goebbels of repeating an incorrect statement. I think that statement is unbecoming of the minister, if I heard him correctly. If I did not hear him correctly I am prepared to sit down, but I do not think the Minister of Agriculture should make that kind of statement.

Mr. Harkness: Mr. Chairman, there is certainly no question of order here, but in any event the statement I made was that if the hon. member for Essex East believes that the method employed by Dr. Goebbels, the propaganda method of repeating a misstatement time after time after time or a certain word time after time after time, is going to be successful, I think he is mistaken.

Mr. Argue: That is the most unbecoming statement I have ever heard from a cabinet minister.

Mr. Harkness: I see nothing wrong with it at all. If the hon. member would prefer that I say the method of Dr. Coué, that is quite satisfactory to me. He had the same system, whereby if you repeat the same thing time after time you will finally believe it and you hope other people will.

Mr. Martin (Essex East): My hon. friend's knowledge of psychology is not great. Dr. Coué had the doctrine of association of ideas.

Mr. Harkness: In any event, the main point is that the hon. member believes that by repeating the word "repudiation" time after time he is going to gain something. I think he is completely incorrect. There is no validity whatever in his endless repetition of the statement that we have repudiated what we said in connection with the stabilization act, that we have repudiated the act itself and so forth. The speech I made in dealing with the stabilization bill when it was introduced, from which the hon. member quoted, is absolutely correct and represents exactly what we have done. We have provided stabilized prices so that farmers have known 12 months in advance what they were going to receive. That is exactly the position as far as hogs are concerned.

Mr. Martin (Essex East): That is not the case. How can the minister say that?

Mr. Harkness: That is the position of the farmers as far as eggs are concerned. It is their position with respect to all the products under the stabilization act.

Mr. Martin (Essex East): What will the price of hogs be 12 months from now?

Mr. Harkness: Just sit down until I have finished.

Mr. Martin (Essex East): The minister is inaccurate.

Mr. Harkness: These people are making all these complaints about hogs and eggs, but for two to three years now we have had exactly the same thing in effect for wool, sugar beets and so on. Has there been any great complaint as far as wool is concerned? I have had scores and scores of letters of thanks from wool producers with regard to the deficiency payments for wool. They do not complain about it.

Mr. Argue: You are pulling the wool over the hog producers.

Mr. Harkness: Members of the opposition and certain big operators—

[Mr. Harkness.]

Mr. Martin (Essex East): And certain members of your own party.

Mr. Harkness: —who under this method were going to lose their guaranteed profits have raised a big complaint about it. They and members of the opposition, for their own political purposes, have been making a great to-do about the deficiency payment method of support for hogs and eggs. I say they have not made any complaint at all as far as wool is concerned. The method has been in operation there since the stabilization act was passed and the wool producers have found it very satisfactory. The sugar beet growers have found it very satisfactory.

At the present time, as I say, hon. members opposite are trying to make out that there has been a repudiation of the stabilization act. The system has been in effect for sugar beets and other commodities ever since the act came into force, and there has never been any claim that there was any repudiation. It was one of the methods of support which I indicated we would make use of when I introduced the stabilization bill. In my opinion and in the opinion of many other people it provides a much better type of support to bona fide farmers than the method of purchase does.

Mr. Martin (Essex East): That is not what the government said in 1959.

Mr. Harkness: The hon. member for Essex East went on to say that we were warned by the farmers that the support prices we set were too high.

Mr. Martin (Essex East): I did not say that.

Mr. Harkness: That is what the hon. member said; I wrote it down at the time. He said that we were warned by the farmers that the support prices we set for hogs and eggs were too high.

Mr. Martin (Essex East): What I said was that you did not consult the farmers.

Mr. Harkness: Then he went on to say that we did not consult them. Both these statements are completely incorrect. I do not know why the hon. member makes these statements which he must know are incorrect. He says we did not consult the farm organizations. He knows that we consulted the soya bean people—

Mr. Martin (Essex East): We are talking about hogs and eggs.

Mr. Harkness: —in his own part of the country, that we consulted the sugar beet people. He must know that we consulted the farm unions, the federation of agriculture and so forth. The number of farm delegations that have been in my office during the time

we have been in power has been very much greater than was the case under the former minister of agriculture.

Mr. Argue: They need to come.

Mr. Martin (Essex East): They are more troubled now.

Mr. Harkness: We have consulted with farm organizations by the dozens, by the scores, by the hundreds; and if the hon. member says we have not consulted them that is a completely incorrect statement.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

(Translation):

Mr. Boulanger: Mr. Chairman, I should like to say a few words following the remarks made by the Minister of Agriculture this morning.

First of all, I wish to ask him, in view of the remarks he made on May 13, 1960, from which I quote the following paragraph:

(Text):

I mentioned last year, and I believe I mentioned again this year on one occasion, that a cost of production study had been carried out with respect to hogs. The survey showed that in one area of Quebec, for example, the cost of production was considerably less than in Alberta, although everybody is aware of the fact that the biggest item in the cost of production of hogs is feed and the cost of feed is less in Alberta than it is in Quebec. This happens to be one outstanding example of the fact that these cost of production studies frequently produce results which very few people are willing to accept.

(Translation):

In view of that statement, could the Minister of Agriculture supply us with figures relating to the production costs he established for the province of Quebec, compared to those he established for the province of Alberta?

(Text):

Mr. Harkness: Mr. Chairman, I have not determined any figure for either place. These cost of production studies, in both instances, were made by provincial bodies or organizations. I put all the figures on the record on one occasion last year. I have not got the figures here at the moment, but they can be found in last year's *Hansard* and they indicate what the variation in the cost of production of hogs was as between the different provinces.

(Translation):

Mr. Boulanger: When you gave figures last year, I do not remember that you revealed the source of your information. If I am not mistaken, the information was somewhat vague and that is why I am asking now whether you can provide figures in support of your statements.

(Text):

Mr. Harkness: When I gave those figures, Mr. Chairman, there was nothing vague about them, and although I would not want to be too definite, I believe the source was given in each case. As I said, they were figures which had been produced by various provincial organizations in the different provinces.

Mr. Pascoe: I should like to deal briefly with one aspect of this stabilization act to which little reference has been made so far. I refer to the incentive under this new deficiency payment plan to improve the quality of the product. Before I do that, Mr. Chairman, I should like to make a brief contribution to the debate we have had with reference to farm support for these deficiency payments. I should like to read from the *Union Farmer* a report made by Mr. Alf Gleave, president of the Saskatchewan farmers' union, in which he refers to the farm program. He says:

—in these moves—

He is talking about the recent moves by the federal government.

—toward crop insurance and long term farm credit, as well as the deficiency payments program on livestock products, we are moving forward on the agricultural program which the farm unions have advocated.

I should like to put that on the record. We have heard strong criticism from opposition speakers concerning the deficiency payments policy on grade A eggs and top grade butter. These payments are made under the Agricultural Stabilization Act. I should like to refer briefly to this aspect of the matter. I suggest that the new policy of deficiency payments on top grades of eggs and butter will result in a greater emphasis on quality production. I will go further and say that the present policy of price support in connection with eggs and butter has already brought about this emphasis on quality production.

In order to support this statement, I should like to quote from four recent articles in farm publications. In the first two articles, one in the *Free Press* weekly and the other in the *Western Producer*, there is a reference to a program just initiated in Saskatchewan to raise the quality of eggs. In announcing the new policy one article quotes the Saskatchewan minister of agriculture, and here is an excerpt from the article which is headed, "Saskatchewan has ambitious plan to boost quality of eggs". The heading on the other article is, "Saskatchewan will Initiate Program to Promote Eggs of Better Quality". I

should like to read briefly from the lead paragraph which says:

A quality egg program for Saskatchewan poultry producers was inaugurated April 1 and will continue through March 31, 1961, Hon. I. C. Nollet, minister of agriculture, has announced.

Objective of the program is to encourage the production of uniform high quality eggs—

At the retail level. The Saskatchewan minister of agriculture, Mr. Nollet, is quoted directly in this article as saying:

Saskatchewan is badly in need of an incentive program to encourage improvement since tests consistently show our egg quality to be much below that of the rest of Canada.

He goes on to say:

Fifty per cent of the eggs marketed through Saskatchewan egg grading stations are below grade A, compared with only 20 per cent for Canada. Egg grades are especially poor in this province during the spring and summer months when only 20 to 25 per cent of the eggs grade A.

The Saskatchewan minister of agriculture is now suggesting in this egg quality program that an incentive to quality was needed. This incentive, I suggest, is provided in the deficiency payment for grade A eggs now in effect.

There has also been strong criticism by opposition speakers, especially by the hon. member for Drummond-Arthabaska, with regard to the support price of 64 cents a pound for top grade butter. As in the case of eggs, this policy of the federal government will put more emphasis on the need for top quality butter.

In this regard I should like to read excerpts from another farm publication, namely the Ontario *Rural Co-operator* of April 26. The heading of the article reads "Dairy Price Supports Welcome". The lead of the article states:

The recently announced dairy policy for the 1960-61 production year must surely be welcome news for dairy farmers across Canada.

It goes on to state:

Let us express our appreciation in every way we can for the consideration given to our needs by government.

Then the writer adds this last with regard to quality:

Any farmer who supplies his creamery with anything less than a good first grade cream is a detriment to the industry and is contributing to the lowering of butter consumption and making it more difficult to obtain a satisfactory price for butterfat.

In another article in the Rural *Co-operator* of May 10 the heading is "Needn't Lose a Cent: Let's Push Butter Quality". The article reads in part as follows:

As long as producers provide their creamery with a top grade cream and creameries do a good job, there is no excuse for turning out butter that grades less than 40-93 and thus commands the top price of 64 cents. We are quite sure the government is aware that an important factor in any decreasing of butter consumption is the fact that some of the butter sold to consumers is not the best quality.

With this in mind, the one-cent differential could and should act as an incentive to improve quality. It is the writer's opinion—

I may say that the writer is Mr. R. W. Morrison.

—that the government would be very happy to have all butter grade 40-93 and pay the full 64 cents per pound because there is little doubt that consumption would increase and storage holdings would cease to be the problem they now are.

He goes on to say this:

If everyone does his or her part properly, the price paid farmers for butterfat does not need to be any less than it was last year.

With regard to this matter I should like to ask the Minister of Agriculture whether he agrees with the suggestion I made, namely that the deficiency payment on eggs and butter will bring benefit to the whole industry of agriculture through production of higher quality products which will find a better retail market.

Mr. Harkness: What the hon. member says is of course correct. We provide a support price for the top qualities of products of various kinds. It is one of the indirect benefits of the stabilization act that there is an incentive to people to produce the best quality products and as a result we are going to have a constant improvement in the quality of the products produced.

(Translation):

Mr. Boulanger: Mr. Chairman, I appreciated the remarks of the hon. member for Moose Jaw-Lake Centre (Mr. Pascoe), and of the Minister of Agriculture (Mr. Harkness); but I do not quite agree with them. It is true that we have to turn out products of higher quality, especially in the case of butter, and if hon. members really want to improve the quality of our butter, there is a very easy way to do it, and that is to offer a premium on high grade products.

Consequently, instead of lowering the quality of butter we should have added one cent a pound for the 40-93, or 40-94 grade. In doing so, we would have encouraged production of high grade butter.

Mr. Chairman, I want to say a few words in connection with the remarks the Minister of Agriculture made this morning in respect of the Agricultural Stabilization Act. He came back to the same tack, stating that the change in methods as far as price supports are concerned, had helped reduce farm surpluses. Hon. members on the government benches

seem to share the minister's opinion, that the legislation helped the farmers.

Mr. Chairman, I have always claimed, and still do, that such is not the case, as indeed was pointed out by the hon. member for Essex East (Mr. Martin), whose great qualifications as agricultural expert I readily recognize, and who, thanks to his interventions in this debate, has helped improve the Canadian farmer's position.

If we refer to the preamble of the act, which I have read into the record before, but which I have to repeat here, we find that it says:

Whereas it is expedient to enact a measure for the purpose of stabilizing the prices of agricultural commodities in order to assist the industry of agriculture to realize fair returns for its labour and investment, and to maintain a fair relationship between prices received by farmers and the costs of the goods and services that they buy, thus to provide farmers with a fair share of the national income.

Mr. Chairman, if we now take a look at the net farm income—

(Text):

I will put it in English so that the minister will understand: the total net income of farm operators from farm operations.

(Translation):

—we note that, in 1959, our income amounted to only $1,189 million, in spite of the increase in population, in spite of domestic consumption, which is increasing from year to year. That surely indicates that the income of farmers is on the decline.

Mr. Chairman, I have here a list of the prices which farmers got for their hogs. In 1959, the average price for grade A hogs was $22.99 per hundredweight; on the other hand, if we consider the average price for the ten years prior to 1959, we note that it was $28.40 per hundredweight.

This means that since 1957-1958-1959, farm prices and farmers' income have fallen.

The minister has just told us that his Agricultural Stabilization Act has been a boon to farmers. He said, among other things, that last year the prices stabilization board had spent $57 million in support prices.

Although Canadian taxpayers have paid $57 million in support prices, farm prices have kept going down. This is evidence of the minister's insincerity, when he introduced his Agricultural Stabilization Act, which was supposed to stabilize farm income.

In this connection, I should like to quote an article from the magazine *Terre de Chez Nous,* dated November 19, 1958, which explains the purpose which the Minister of Agriculture had in mind when he introduced the Agricultural Stabilization Act, or the change in method which he brought in last fall.

The Hon. Mr. Harkness said to the farmer's representatives that he has no hesitation in using the Agricultural Stabilization Act as often as necessary, but always on the condition that this practice will not bring about cumbersome surpluses.

"If surpluses were created that could not be sold, or even given away in some cases, said the minister, we would not be able, under the Agricultural Stabilization Act, to maintain prices to their actual levels and even less increase them—

We see by that statement that the minister never considered maintaining farm income at its normal level but was seeking instead to get rid of farm surpluses.

As for the support prices on eggs, I should say that the farmers, in general, are not satisfied with this method. The hon. member who spoke earlier quoted some letters; I would like in turn to quote one or two letters to prove that the farmers in this country are not satisfied with this system. One is a letter sent to the Minister of Agriculture, as well as to the Prime Minister (Mr. Diefenbaker), on January 28, 1960; it is signed by Miss N. M. Purdy, Balcarres, Saskatchewan.

In this letter of which I am giving a French translation made by *Terre de Chez Nous,* and published on March 16, 1960, we find the following:

The removal of the support price on eggs, replaced by deficiency payments, is supposed, in the long run, to benefit the poultry industry, it is said. But tell me, since when is it consistent with morals to allow the patient to die in order to cure his ills?

That sudden reversal of policy, without our being given the least chance to prepare for it, has not only removed our benefits completely but has forced us to spend money which is now impossible for us to earn if we want to keep operating from day to day. No income of any kind, for family expenses, while we are forced to resort to credit to pay the cost of operations.

We are worse off than during the great depression years of the thirties. At least, at that time we were all in the same boat. We could hire a man at $15 a month in summer, and $5 a month in winter, and a servant at $8 or $10, who still knew they were lucky to have at least a place to hang up their hats.

And it was the same with the rest, besides the fact that it was still possible to keep out of debt if we really wanted to. But the labour market is no longer at that level. Today, we have to face competition from a high-pressure economy you are so fond of boasting about, and our costs remain at top levels.

Further down, the letter continues:

Whose fault is it, after all, if the poultry industry is going through hard times? Are we to blame? Is the average poultry producer to blame? Who advised poultry producers to keep larger staffs to operate more efficiently? Section 3 of R.O.P. practically compels us to expand.

Who increased the support price on eggs in the central provinces, which are so close to the main markets in this country?

When it is too late, and the mess of your policy has become obvious, you come up with radical changes without sufficient warning for us to prepare accordingly. Our chicks were already hatched when we were given the first indication that a change was in the offing. When the new policy was announced in June, in western Canada, the particulars given were far from complete enough to allow us to properly plan our breeding. Finally, we learned the worst after laying had already begun. As a result of low prices of poultry meat at the time, who could blame us for keeping pullets whose breeding costs we had no chance to recover?

The text closes as follows:

You should be proud of the success of your program. What will be, in your opinion, the effect of your policy on the R.O.P. breeding program?

How many flocks will be able to hold out? Must you ruin 40 years of fine work by your department? As for us, we have been following the R.O.P. policy for 33 years without a break, but we are seriously considering withdrawing, out of necessity, and not by choice. The steadily decreasing number of producers is a cause for great concern. You are dealing us a death blow.

This letter reflects the opinion of many poultry producers throughout Canada.

I have in my hand another letter addressed to Mr. G. R. Wilson, Chief Inspection Service, Ottawa, Ontario, and written by Mr. W. J. Major.

I shall only quote three paragraphs from it.

(Text):

This mess all started with the uncalled for raise of floor price for eggs at 44 cents A large by the present government and it was further aggravated by the government's policy of not admitting its error by going back to prior floor. It got out from under by shifting its responsibility of supporting its increased or even prior floor and thus forced us to feed the Canadian consumer at a price far below cost and drawn from our economies of the last two decades.

Of course the further government policy of deficiency payment to the 1000 dozen farm is placing those of us with sufficient layers to try and make a living from poultry in competition with the federal treasurer. We were first told that this was to do away with integration but from the decreased chick orders received we are finding out that the producer of over 1000 layers is trying to carry on while the sideline small producer is not ordering and saying to hell with it all.

As it is impossible for us to compete with the federal treasurer, who derives his revenue by act of parliament, we are forced to pare off all possible costs including our test pens and until such time as we can have a better era and recoup our present deficits it will be impossible for us to start them up again.

[Mr. Boulanger.]

(Text):

Those are reports from responsible farmers and poultry producers which are self-explanatory. There is another report that proves that small farmers are affected, especially if we consider the orders received by various hatcheries in this country.

An inquiry was made in Ontario in order to ascertain whether the new policy on prices would affect big or small farmers. It is stated in this report—unfortunately, I do not have it at hand just now—but in any case, it states that 45 per cent of small flock owners, of small poultry producers, have not renewed their orders for chicks during 1960, that is from January 1 to March 31.

Besides, according to my own personal experience there are farmers and poultry producers in my district, who own 5,000 hens and over and who did not cut down on their orders for chicks. In other words, instead of protecting the small farmers, we are protecting the big ones.

I therefore ask the Minister of Agriculture whether he could tell us how many farmers requested registration permits in order to come under the Agricultural Stabilization Act. I know that when at the end of January, we asked that question, we were told that out of 347,553 poultry producers, only 78,296 had registered, and this, at January 15, 1960. At that time, this figure represented 20 per cent of the poultry producers who come under the Agricultural Prices Support Act.

Mr. Ricard: Mr. Chairman—

(Text):

Mr. Harkness: In connection with the question raised by the hon. gentleman, the number of egg producers registered is 89,545.

(Translation):

Mr. Boulanger: Mr. Chairman, that figure therefore represents about 25 per cent of Canada's poultry farmers.

Now, when the minister amended his methods, he said 90 per cent of the poultry farmers would benefit from the new price support system. Moreover, it must be remembered that those poultry producers who have registered will get price support on only 1,000 dozens. What we would have liked to know, therefore, was what proportion of egg production would qualify under the agricultural price support legislation.

This is only my own deduction, of course, but I think less than 5 per cent of Canada's egg production will qualify for deficiency payments.

Mr. Ricard: Mr. Chairman, I have been following closely the remarks made a moment ago by my hon. friend from Drummond-Arthabaska (Mr. Boulanger). As I understand his remarks, he has said that Canadian farmers were not satisfied with the Agricultural Stabilization Act, indeed that they were dissatisfied with it.

Mr. Martin (Essex East): No, that is not what he said.

Mr. Ricard: Mr. Chairman, I am not surprised at this interjection from the hon. member for Essex East, because he has been prompting his colleague all along, as the latter is unable to speak for himself.

Mr. Martin (Essex East): The hon. member should withdraw that statement. He knows quite well that the hon. member for Drummond-Arthabaska is an expert on agricultural matters.

Mr. Ricard: This is particularly obvious by the way he talks.

Mr. Chairman, I have been wondering whether the hon. member for Drummond-Arthabaska has any authority to speak on behalf of the farmers of Canada.

(Text):

Mr. Habel: Mr. Chairman, the hon. gentleman is stating that the hon. member from Drummond-Arthabaska has no right to speak on behalf of the farmers.

Mr. Ricard: That is not what I said. I said the hon. gentleman had no authority to speak on their behalf.

The Deputy Chairman: Order. We can hear only one hon. member at a time. Does the hon. member for St. Hyacinthe-Bagot wish to speak?

Mr. Ricard: Mr. Chairman, I did not say that the hon. member had no right to speak on behalf of the farmers of Canada. What I said is that the hon. gentleman has no authority to do so.

Mr. Denis: What about you?

Mr. Ricard: Stand up if you want to speak.

Mr. Denis: All right, I will stand up.

The Deputy Chairman: Order. The Chair recognizes the hon. member for St. Hyacinthe-Bagot.

(Translation):

Mr. Ricard: If I may, Mr. Chairman, I shall go on with my remarks, in spite of interjections from the opposition benches, and say that farmers, more particularly in our part of the country—for I do not hesitate to say this of all farmers in the province of Quebec, and throughout Canada—are satisfied with the Agricultural Stabilization Act which this Conservative government introduced to provide farmers with the fair share of income to which they are entitled.

I have here, Mr. Chairman—and I had to go and fetch it in all haste—some excerpts from the press to prove my arguments. For instance, I have here an article published in *Le Courrier* of St. Hyacinthe of Thursday March 3, 1960, which reported on a meeting of members of the Canadian farmers' union (*U.C.C.*) in Granby, under the title:

Local farmers in favour of price support.

Mr. Chairman, if farmers did not favour the price support act, they would certainly not meet in a convention to ask the government and the Minister of Agriculture (Mr. Harkness) for an extension of the legislation on price stabilization which was worked out and introduced in order to give our farmers what they are entitled to get.

I also have here another item from the same paper, dated December 10, 1959, which deals more particularly with the price support for beets. In that article we find that, for the riding of St. Hyacinthe, subsidies were $41,390.70, whereas, for the whole province of Quebec those grants were $73,039.99. If you wish, you may add the $4 million which went into the Quebec farmers' pockets in the form of a subsidy of 25 cents per hundredweight of milk, and you will get a very appreciable amount which our farmers were very pleased to receive and for which they commended and will continue to commend the government, which had the courage and vision to consider their interests.

I shall give you another irrefutable proof, from the very lips of the so-called expert on agriculture, the hon. member for Drummond-Arthabaska. As we may see on page 2464 of the English text of *Hansard*, he said that for twelve years, under the Liberal administration, that is from 1946 to March 1957, the Agricultural Stabilization Act had brought the farmers he amount of $25,052,809.98. And he deplored the fact that this government had given farmers $78 million in the shape of grants.

Those people, Mr. Chairman, do not know when they should cry or laugh. They want to do both at the same time. And they think

that all the farmers are not bright enough to see through their game. They always want to play politics and that is why they are now out in the cold, on the opposition benches, where they will remain for a long time.

Mr. Boulanger: Mr. Chairman, I should like to give a brief answer to the remarks of the hon. member for St. Hyacinthe-Bagot. I said that the government had given $57 million last year and, $78 million during the two preceding years, that is, in 1957 and 1958. I do not remember—

Mr. Ricard: That is what I said.

Mr. Boulanger: I stated that, during the last 12 years of Liberal rule, the government had given $24 million in deficiency payments to our farmers, at a time when farmers were selling their grain—

Mr. Ricard: You deplore the fact that farmers had too much.

Mr. Boulanger: I can prove, Mr. Chairman, that even with the price support act, and with the amount of $57 million we disbursed last year, the farmers were not satisfied with the prices they had obtained. I have here a list of prices from 1947 to 1956—

Mr. Ricard: You have so many of them that you get all mixed up.

Mr. Boulanger: The hon. member for St. Hyacinthe has a way, which I find it hard to describe, of distorting our arguments. But I know perfectly that he is in no position to tell me much about agriculture. From 1947 to 1956, in the last ten years of the Liberal regime, these were the prices paid to farmers for some of their products.

Mr. Ricard: I have read them.

Mr. Boulanger: Wheat was selling at $1.49; under the Conservative regime, it was selling at $1.23.

Mr. Ricard: You are comparing ten years with three years, the third to the whole.

Mr. Boulanger: From 1957 to 1959, the Liberal regime has given—

Mr. Ricard: You are comparing ten years with three years.

Mr. Boulanger: Barley was selling at $1 a bushel from 1947 to 1956, under the Liberal regime, while Department of Agriculture was headed by the greatest minister of agricultural we have ever known; and it was 75 cents from 1957-1959. Oats was selling at 67.6 cents, while in 1957-1959, it was selling at 53 cents.

Mr. Ricard: That is because of the surpluses you had piled up.

Mr. Boulanger: Flaxseed was selling at $3.62 under the Liberal regime, and at $2.67 under the Tory regime.

Mr. Ricard: We had to get rid of your surpluses.

Mr. Boulanger: From 1947 to 1956, hogs were selling at $27.16 a hundredweight while from 1957 to 1959, they were selling at $26.19.

From 1947 to 1956, eggs were selling at 41.6 cents a dozen, and at 35 cents a dozen from 1957 to 1959.

If the hon. member for St. Hyacinthe-Bagot wishes to obtain other figures, I am in a position to supply them to him.

Mr. Ricard: You do not understand them, and that is the trouble.

Mr. Boulanger: The average price for the ten-year period preceding 1957, on which was the support price for hogs was based, was $28.40 the hundredweight, while in 1959, after three years of Tory regime, hogs were selling at $22.99.

As for the price of eggs, in 1959—

Mr. Villeneuve: Give us also the prices of cheese and butter.

Mr. Ricard: He just does not want to talk about those.

Mr. Boulanger: If you want me to talk about butter, I shall do so. Right now butter is selling at 64 cents a pound—

Mr. Parizeau: How much was it selling for under your administration?

Mr. Boulanger: Under the Liberal administration, it was about 58 cents a pound—

Mr. Ricard: And you say we reduced the price?

Mr. Villeneuve: What about the price of cheese?

Mr. Boulanger: The price of butter has gone up. That, I admit, as I said the other day. Apparently, the hon. members were not in the house at the time. I said the price of butter had risen, and I explained why the present price of 64 cents a pound is worth no more than the 58 cent price a few years ago, because the index of production costs has risen tremendously. So if you want to compare the present price of butter, namely 64

cents a pound, with the price of a few years ago, butter would have to sell at 66 to 68 cents a pound.

Mr. Villeneuve: Can you name one country where the price of butter is as high as in Canada?

Mr. Boulanger: It is not a matter of comparing Canada's farm prices with those of other countries. To do that, you would have—

An hon. Member: Our production costs are not the same.

Mr. Boulanger: —to quote production costs. When we criticized the agricultural prices stabilization act, we were told it would protect farm income—

Mr. Ricard: Then why did you vote for it?

Mr. Boulanger: —and as far as I know—

Mr. Ricard: You supported it.

Mr. Boulanger: —the farmer's income has not been guaranteed, because his net income has dropped 7 per cent in 1959. That is an estimate, but when the revised figures come out—perhaps they are available by now—the drop will be 10 or 12 per cent.

Those, Mr. Chairman, are a few thoughts I wanted to submit to the house following the inappropriate remarks of the hon. member for St. Hyacinthe-Bagot; should he need further information, I am prepared to supply it.

(Text):

Mr. Villeneuve: Mr. Chairman, this seems to me to be about the right time to get into this debate. I believe the people of Canada are very grateful to this government for what it has done. I can understand it is the duty of the opposition to criticize the government but let them take a realistic view and make a comparison beween world prices and what the farmers are receiving in Canada. Certainly we would all like to see an increase in the returns to our producers but we cannot control world conditions; we cannot control production.

We consider that the standard of living in the United States is high and possibly higher than ours. We have a reciprocal trade arrangement, and have had it for a number of years, under which we trade back and forth at set duty rates. Therefore, whether we like it or not, our market values are somewhat in line with theirs. It is only fair to make a comparison with the last four months period of 1959. If we do that we will find that the average price of good steers in the United States was $23.74 and in Canada $24.55, which shows that we are closely interrelated as far as prices are concerned.

In the last three months of 1959 the price of hogs in the United States was $16.43 dressed weight basis, whereas in Canada the national average was $23.67, which means that our price was $7 a hundred higher than the United States price. But, in 1952—our friends in the opposition will not say this—a disease broke out among hogs in the United States and the producers in that country were not allowed to send them into this country until that disease was cleared up. Permission was given to allow them in in the early part of 1960. On a reciprocal trade basis they were permitted to send pork products into Canada.

The United States is a country which raises 10 times as many hogs as we do and they can produce much more if they have to. Certainly, our prices are closely in line with theirs. The minister took the only sound approach that was possible or feasible and the figures he gave today as to exports and particularly with respect to hog bellies rendered into lard indicate that the returns were less than you would get for dog food. Is it logical or sound to waste the taxpayers' money to encourage overproduction, especially by commercial organizations, without in any way limiting the quantity that may be produced? I want to substantiate the minister's stand and I may say I have figures here for the Toronto market which after all is the largest market in Canada.

In the three months from October 1 to December 31, 1958, 95.75 per cent of the producers of hogs sold less than 50 hogs in that period of time which is the period of the year when there is the heaviest marketing. But when we take the total number of hogs that were put on the market we find that 70.4 per cent of the hogs were marketed by 95.75 per cent of the producers which proves beyond any question of doubt that during that period of time 4¼ per cent of the producers sold 30 per cent of the hogs. Is it sound judgment or good practice for the government to continue a policy that involves a guarantee to the owners of large piggeries who are perhaps making $8 to $10 a head and are raising as many as 8,000 to 10,000 hogs in the vicinity of Montreal or Toronto for marketing in those cities?

That was the situation, and I want to compliment the government and in particular the Minister of Agriculture who had the courage and conviction to try to protect the family farmer. Today in my constituency, as is the case elsewhere, 75 per cent of the farmers are men from 35 to 60 years of age with no more than ordinary academic training. If they and their families are forced off the farms they have no alternative but to go to industrial centres. We have a condition of

unemployment today and we will only be sending these people into misery and hardship. Therefore I repeat that the minister's stand was a courageous one and the only one that was feasible or sound in the face of the facts before him.

We do not hear too much criticism about beef because we are in a cycle of high prices but in a year or two from now when the United States starts to ship surplus cattle into this country we will be bound to feel the effects because their cattle population is ten times that of Canada. Therefore over the course of the years we are bound to feel the impact of that sooner or later.

As far as dairy products are concerned, our friends do not say very much about them because we guarantee 64 cents a pound for butter when there is no market in the world outside of Great Britain that will buy it at any price and Danish and New Zealand butter is being sold there today at 35 cents a pound. I ask the hon. member to name one market where we can sell any butter at the price that we guarantee in our home market. The same thing applies to cheese. I should like the hon. member for Essex East to stay here because he was one of the members of a cabinet that did not pay much attention to the cheese producers.

Mr. Martin (Essex East): On a point of order, Mr. Chairman, the hon. member, whom I hear speaking for the first time and who by the way declaims very well, if I may say so—I wish I could say the same thing about his argument—says that when I was in the cabinet nothing was done for the cheese producers of Canada. I want to let my hon. friend know that I was not aware that he was a member of the same cabinet or that he was clerk of council and was in a position to know what went on. I want my hon. friend to know, now that we have had an opportunity to compare the results of the present agricultural policy with the agricultural policy of the previous government—

Some hon. Members: Order.

The Deputy Chairman: Order.

Mr. Martin (Essex East): —that there is no comparison with what the former government did.

The Deputy Chairman: Order. I do not see any point of order raised by the hon. member.

Mr. Villeneuve: Mr. Chairman, I wanted to give the hon. member every opportunity because the fact is that in the last six years his government was in power cheese prices held fairly well in Ontario thanks to the Ontario government which had to take over a second mortgage on the product in order to stabilize it for the rest of Canada. Today we are receiving a fair return. I admit that we would certainly all like to see the farmers have a better living but on the basis of world prices, when New Zealand is selling cheese to Great Britain today at 23 or 24 cents a pound and having in mind that in Canada there is a guarantee equivalent to 32 cents a pound plus a subsidy of 25 cents per 100 pounds of milk or almost 35 cents altogether, I think our farmers are reasonably fair and appreciate that sort of protection. Certainly they never enjoyed it under the former government.

The hon. member for Drummond-Arthabaska put forward arguments on the basis of the period from 1947 to 1956. He failed to state that that was the aftermath of the war and that during that period we had to send our surplus production to countries which were demolished during the war. We also had the Korean war during that period of time. There was an altogether different position with respect to the disposition of surplus food stuffs. But the hon. member failed to tell about the mess they left which the present government inherited and the fact there were no markets available in which to sell our surpluses. It may comfort him to tell his side of the story. I suppose if I were in the opposition I would do the same thing, but nevertheless I believe in being fair.

(Translation):

Last week, the hon. member for Drummond-Arthabaska made a comparison between the price on hogs in 1956 and in 1960. However, he forgot to check on his information beforehand, because in 1956 the average weekly production was about 115,000 hogs, while in the first three months of 1959 and 1960, production reached more than 164,000 hogs each week. Therefore, the present overproduction should be considered.

The hon. member did not say anything about the price of beef, nor about the price of butter and cheese; he preferred to mention only the price on hogs and eggs.

I congratulate the government and the Minister of Agriculture (Mr. Harkness) for their efforts to protect the family farm. Before the year's end, I feel that it will be possible to establish an average production, thus enabling egg producers to get a higher income. Moreover, I am convinced that hog breeders will obtain a higher price, and before August, too.

Mr. Boulanger: Mr. Chairman, may I say just a few words following the remarks made by the member for Glengarry-Prescott (Mr. Villeneuve). However, I do not want to disprove his remarks, which might take too long and, besides, I have already dealt with them. All I want to say is this. Members on

the government side say the farmer is satisfied with the agricultural acts which have been in force for some years, but I will simply quote from press reports which reflect the view of farmers and of farm representatives of the province.

I have here an excerpt from an article published in *Le Devoir* of October 21 last, signed by Mr. Jean-Baptiste Lemoine, president of the Quebec Catholic union of farmers, who is recognized by all as an authority in the field of agriculture. Here is what he said:

> We are walking in a fog, towards the unknown.

After writing about the Agricultural Stabilization Act, he said:

> We are walking in a fog.

Here is the view of the Canadian federation of agriculture on that matter:

> That legislation should not apply to products such as pork, beef, eggs and dairy products.

Furthermore, a supporter of this government, the hon. member for Rosthern (Mr. Nasserden) said the following, in this house:

> If I understand the formula correctly, it is the most backward that could be adopted from an already established position.

And a little further on, he said:

> I believe the program which has been announced and introduced destroys all hope in the production and sale of perishable goods. This program can only serve the opposite of the intended purpose. Instead of helping the small producers, it crushes them. It encourages speculators to play with the prices. It favours a lack of balance between supply and demand.

Mr. Chairman, before we carry this item, I would have to ask the Minister of Agriculture a few questions arising from an article published by the Ontario farmers union, of 1960. I would like to ask the minister to tell us if he confirms or denies this part of the article that I want to quote:

(Text):

> According to the poultry products market report dated April 1, over 2,348,000 pounds of dressed poultry were imported into Canada in this first part of 1960. This is a million and a half pounds more than the same period of 1959. In spite of these figures, it is reported that prices have increased to the consumer from 37 or 38 cents a pound for turkeys to 56 cents.

(Translation):

Lately, there have been delegations of farmers calling to submit briefs to the Minister of Agriculture, and the matter of imports came up.

I should like the minister to tell us what has been the amount or value of our imports from January 1 to the latest date, as compared with the same period last year?

(Text):

Mr. Harkness: In connection with that last figure, these figures appear every week in the poultry products market report. This report shows that dressed poultry imported up to May 14, 1960 was 1,942,580 pounds of chickens and in 1959, 449,140 pounds of chickens. In so far as turkeys are concerned, there were 1,151,000 pounds imported in 1960 and none in 1959.

I should like to point out to the hon. member that we do not have a closed border with the United States. During the time that we have been importing a few million pounds of poultry from the United States, we have been exporting to the United States very large quantities of cattle and hogs. No hon. member, of course, can expect that trade is going to be a one-way street.

(Translation):

Mr. Boulanger: This, of course, does not tally with the promises made by the Minister of Agriculture and the Prime Minister in 1957 and 1958, to send out an army of salesmen in every country of the world to find markets for our products.

If our imports go on increasing all the time, I just wonder what will happen to the poultry farmer before very long. There is already some discrimination against poultry farmers in Canada, and unless imports are checked, our poultry farmers will be wiped out for good.

(Text):

Mr. Jones: I did not intend to take part in this debate at this time, but some of the remarks made by the hon. member for Drummond-Arthabaska should be corrected. He has been highly critical of the agricultural stabilization measure. He has not been the only one who has taken that view. I recall that in January, 1958, before the 1958 election, the hon. member for Assiniboia said that the agricultural prices stabilization measure would be the death warrant of the Conservative party. That prediction did not turn out to be very sound, and I do not believe the arguments presented by the hon. member for Drummond-Arthabaska are any more sound.

This program is one of three particular projects which the government has adopted to deal with the problem of the fluctuation in farm income. The other two are the amendments to the Prairie Farm Assistance Act, which have resulted in 10 per cent to 15 per cent more farmers benefiting from that legislation than formerly, and the crop insurance program under which the federal government has offered to pay 20 per cent of the cost of the premiums and 50 per cent of

the cost of administration, in addition to making loans to those provinces that take up the scheme.

The introduction of this agricultural prices stabilization act, as is well known, has resulted in the establishment of mandatory floor prices on nine commodities, with an additional dozen or so other agricultural products receiving support. In view of the remarks of the hon. member for Drummond-Arthabaska, and the earlier remarks of the hon. member for Assiniboia, I should like to put on the record the official views of the only farm organization in Canada which represents all farmers on a national scale. I refer to the Canadian Federation of Agriculture which presented its views to the cabinet on February 24 of this year. This is what they had to say about price support:

> We recognize that in present price support programs we have most of the fundamentals that we, as producers, have asked for and agreed are desirable.

That is the view of the only farm organization which represents the generality of farmers on a national scale. I think their views should be taken into consideration when discussing this particular item of legislation. The hon. member for Drummond-Arthabaska made some comments about the level at which support prices should be maintained. I should like again to refer him to the presentation by the Canadian Federation of Agriculture when they said that they recognized that supports which create and perpetuate surpluses cannot be satisfactory over a period of time.

The hon. member for Drummond-Arthabaska has been dealing with dairy price supports and with the butter support program. Surely it was welcome news to the farmers of this country and to the members of this house who are seriously concerned with the problems of agriculture and who, for example, take into account the views of the Ontario *Rural Co-operator,* when the minister announced in this house the establishment of the butter support price for this year. In their April 26 issue they carried this headline "Dairy Price Supports Welcome". They went on to say this:

> The recently announced dairy policy for the 1960-61 production year must surely be welcome news for dairy farmers across Canada.

That is the view taken by responsible farm organizations in connection with this particular item which is under discussion at this time. I think those views are in direct refutation of the position which has been taken by the hon. member who has just been speaking. Coming from an area where poultry and eggs are raised not by large producers as the sole source of income but as a necessary part of the farmers cash income, I can say that the egg support policy adopted by this government has proved to be satisfactory.

Some doubts were expressed at the initiation of this particular program. We were faced with a situation in which egg factories capable of mass production on a low cost basis were flooding the markets to the detriment of the small poultry raisers. With the introduction of this deficiency payment system providing for supports under the deficiency payments scheme on up to 4,000 dozen grade A large and extra large eggs, supports were provided to the farmers who needed them most, namely the great majority of the small egg producers. As must be apparent to everyone and as has been apparent to the egg producers themselves, under the previous system the production of eggs was being increased by what proved to be an incentive price and huge surpluses were being piled up for the benefit not of the ordinary egg producer but of the mass producer, the egg factory.

In conclusion may I say that from the approval given to the price support policy in general by the Canadian Federation of Agriculture and others it is fairly evident that this act has worked out to the great benefit of Canadian farmers.

Mr. Fisher: I just want to ask the minister two questions. Can he tell us again—he has probably given this information to other members—the difficulties, as he sees them, with regard to bringing pulpwood under this particular administration? The second question is this. Has he any figures at all that would indicate, on a regional basis, how much time and money handled by this administration has gone into the northwestern Ontario region?

Mr. Harkness: As to the latter part of the question, may I say that we have no breakdown along that line for pulpwood. There are almost insuperable difficulties as far as bringing it under the act is concerned. If we attempt to purchase it under the act, we have no place to store it or anything else along that line. If we were paying a deficiency payment on it, it would really be a deficiency payment to a large extent to the large pulp and paper companies, which would enable them to get their wood at a lower price than they would be paying for it otherwise. Actually I think the best means of improvement along that line are the ones which have already been initiated by the pulp producers in forming their co-operative associations and as a result being in a better bargaining position to improve the price for their

pulpwood. This has already happened in a considerable number of places.

Mr. Fisher: With regard to the pulp question, I know that in Quebec the provincial government has encouraged the formation of co-operatives by pulp producers. An attempt is being made to form one in our own region at the present time. I do not like to bring to the minister's attention campaign promises or election promises but strong indications were given by a number of ministers during the last campaign, and I would remind the ministers specifically of what the Prime Minister said in Rimouski, Quebec, prior to the last election. It seems to me that the whole movement on the part of the government has died almost of inanition.

I should like to know more about the difficulties than the minister has given us. How thoroughly did his department go into this question? The reason I raise the matter is that every farmer who cuts pulpwood is aware of the economic power of the people to whom he sells it. These are large corporations. I do not know of a group that in the main have had less co-operative experience and who have less pressure to exert in a political and economic way than have the bush farmers. Can the minister give us a little more explanation as to how much study his department and the government made of this matter, when it came to this decision and whether there are any steps it can take, in co-operation with the provincial governments, to improve the position?

The minister did not mention one weakness in trying to set up a scheme that is very apparent today, namely the regional nature of so much of the pulpwood market and the high cost of transportation. We have in northwestern Ontario a situation that I could point out to him in which pulpwood is coming down from northern Saskatchewan and from northern Manitoba all the way to mills at Fort Frances and Kenora, a fairly long transportation haul. One of the difficulties that is occasioned here is that the farmer in Saskatchewan and in Manitoba is in a position to take a much lower price than are the ones in northern Ontario. This is an example of an invasion of one group of farmers' pulp market by another region. I just wondered how much analysis went into this matter. Can I put on the order paper a request for papers and expect to get anything from the department?

Mr. Harkness: We looked into this matter quite thoroughly. I do not think there are any papers particularly that I could produce in response to a request for the production of papers. The one definite step, of course, that was taken by the federal government to correct the situation was the prosecution of the paper companies for having a combine to depress the price paid to the farmers for pulpwood. That action, of course, resulted in a considerable improvement in the price in certain areas, combined with the formation of these co-operative pulp selling organizations by the farmers.

As I indicated previously, the practical difficulties in the way of providing price support for a commodity of this kind are extremely great. Indeed, it did not look as though it would be a practical proposition. Certainly on an offer to purchase program there was just no means that we had to handle the pulpwood; and on a deficiency payment basis, it created a situation in which it was just that much easier in a way for the paper companies to get away from pressure to increase their price for pulpwood. In effect, what we would have been doing by deficiency payments would have been to contribute to a considerable extent to the welfare of the paper companies which certainly do not need that sort of assistance from the general taxpayer.

For these various reasons, we did not consider that this was a practical means of dealing with the situation. We therefore went ahead with the combines investigation prosecution and we have been doing what we could to encourage the provincial governments and groups of farmers to form their own selling organizations.

Mr. Fisher: I have one question. Does the minister's department consider pulpwood to be a farm product?

Mr. Harkness: Strictly speaking, I do not know that you could consider it to be a farm product the same as, we will say, wheat, oats, barley or other products along that line. I do not know that there is in the act anything which would specifically exclude it. But certainly it is not a farm product in the same way as is a commodity such as the grains I have mentioned or livestock and so on.

Mr. Fisher: The reason I raise this point is that under provincial legislation in Ontario it is possible under their marketing act to bring in pulpwood. However, there is one other factor. We have a pulp mill situation at the lakehead where all the big mills have large limits held from the crown; that is, the crown through the province of Ontario. At the same time each of these companies buys a considerable amount of pulpwood from what we call farmers, bush farmers, and this is a very important part of their income. Recently one of the companies in particular—there are others—has not only been importing wood from Manitoba and Saskatchewan, which is

after all an interprovincial matter and nothing that we can complain of, but it has also been importing in considerable quantities—at least, the value is up I believe over the $1 million mark—of pulpwood from the United States. It is really carrying coals to Newcastle in the minds of many people there.

What it is very difficult for us to do is to put our finger on someone who could be responsible. I see that the chairman is looking at me and I am probably getting somewhat away from this particular item, but I would like to have the minister's opinion whether it could properly be a matter of concern, if this product is a farm product, that United States competition is coming in into this particular market.

Mr. Harkness: Mr. Chairman, all I can say is this. As I mentioned in connection with some other products, so far as imports from the United States are concerned we have a big two-way trade and we certainly export a great deal more in the way of pulp and paper products to the United States than the amount we import. The amount we import from them is comparatively negligible. As I have said before, we cannot expect to be able to carry on trade and have it flow all in the one direction as far as any one particular product is concerned. Therefore, I just do not see that there is anything that can be done to prevent a limited amount of United States pulpwood which happened to be in a given geographical situation, particularly in the Lake of the Woods area, where it can be marketed more readily and cheaply in Canada than in the United States because of its proximity to the paper mills, coming in to our markets.

Mr. Fisher: There is no way of setting a price?

Mr. Harkness: I would think it is extremely difficult to set a price for something which is imported from another country unless you put it under import control. If you did that, of course, it would lead immediately to retaliatory measures, and in the case of pulp and paper products it would certainly be to our terrific disadvantage.

Mr. Brassard (Lapointe): Mr. Chairman, I have one question I would like to ask the minister. On May 10 various farm organizations presented a brief to him, and I am wondering if the minister will tell the committee if he has taken any steps toward meeting the requests made to him. If not, does he intend to write to those various farm organizations and reply to their requests, stating what he intends to do about them?

[Mr. Fisher.]

Mr. Harkness: Is the hon. member referring to various poultry associations which came to see me?

Mr. Brassard (Lapointe): Yes.

Mr. Harkness: I told these people when they were here, and I have also stated this in reply to a question in the house, I believe this week although it may have been last week, that we would attempt at the next GATT negotiating conference to secure equalized rates as between ourselves and the United States as far as duties on poultry products are concerned.

Item agreed to.

11. Subsidies for cold storage warehouses under the Cold Storage Act, $62,667.

Mr. Smith (Lincoln): Mr. Chairman, in reviewing item No. 11, which is for a subsidy for cold storage, I am a little concerned about the sharp reduction in the amount of money available this year. Perhaps after I have spoken briefly on this matter the minister might be able to clarify it to some extent.

The matter of cold storage is very important to fruit and vegtable growing, which is the most important industry in the Niagara peninsula where I represent the county of Lincoln. I notice that the chairman has given a certain amount of leeway today and I am going to take advantage of that in saying to the minister that this year, as far as I know the only year for a long time, the fruit and vegetable growers in the Niagara peninsula have not presented a brief or petition or something like that in connection with dumping from the United States, which for so long has been their great problem. There have been changes in the regulations. The price stabilization act has been passed; there has been an extension of the seasonal tariff; and there has also been this matter of fair value for duty. However, in spite of all this the fruit growers still have problems, and one of their problems is the selling of their products. There is about 60 per cent—

The Deputy Chairman: Order. The Chair has been quite lenient so far but I hope the hon. member will come back to the item referring to cold storage.

Mr. Smith (Lincoln): Mr. Chairman, I was just about to come back to it. About 60 per cent of the crop goes for processing and 40 per cent to the basket trade, and the need for cold storage is very important for both of those ways of disposing of the crop.

In recent years there has been a sharp reduction in the number of canning factories which means that cold storage is very essential because sometimes the farmers have their crops ready to take to the plant but they

find the plant cannot handle them that day, or the following day, which means they have to put them into storage space. As you know, tender fruit and vegetables are very hard to take care of unless you have suitable cold storage acccommodation for them.

As far as the basket trade is concerned, I think the matter of cold storage is even more important because in years gone by most of that trade went to the corner grocery store or the home canner, but today it is sold to about six large buyers, the chain stores. They do not take it in small quantities; they like to get it in carloads which means that the fruit has to be stored for a certain length of time in order to supply their requirements. As I said, I am concerned about why the subsidy is reduced by so much this year and I am just wondering if the growers in the area are not taking full advantage of the subsidy available to them.

There is also the question of private cold storage. I quite admit that there is no subsidy available for that at the present time but I understand a great many of the larger growers in my area are considering something of that kind. I would like the minister to take that into consideration and make some kind of subsidy or grant available to the private family farmer who wishes to build a cold storage plant for himself.

Another thing which I would like to suggest to the minister concerns the preparing of plans and specifications for small cold storage plants. I think the experimental farm could help there, and we have a wonderful experimental farm in Lincoln county which could render great assistance to the growers in preparing plans and specifications of some kind. The growers in the Niagara peninsula have gone through some rather bad years; but everything looks much better now with new anti-dumping legislation and there is the possibility of the old family farms, the larger farms, coming back again. Therefore. I would certainly urge the minister to give this matter of cold storage very serious consideration.

Mr. Harkness: Mr. Chairman, this reduction is more apparent than is likely actually to be the case. The figures here are not really comparable. The figure of $433,510 was the final figure for the amount of cold storage subsidies. It has been the custom for some considerable time as far as this vote is concerned, to put in the amount of subsidy that will be required to pay for the applications which are already in and have been approved. In this case they happen to amount to this figure of $62,667. Since the original estimates were prepared before Christmas—some time last fall—there have been several other applications for subsidies which have been approved aggregating something over $190,000, I believe. Those will appear in the first supplementaries when they are introduced. I can assure the hon. member that any of these cold storages which qualify will be dealt with just as they have been in past years by supplementary estimates after the applications come in and have been approved.

Mr. Pugh: Mr. Chairman, I have just received a letter from the Osoyoos co-operative fruit and vegetable growers in British Columbia in regard to cold storage. Apparently there is a new quality control regulation which has just been brought in the result of which will be to pay an additional 15 cents per box for possible costs to come in the future, provided the top cold storage requirements are met. I was wondering whether the department had received any correspondence in this regard because I can see that there will be a rather large request for further cold storage out in that area.

The letter I have received was written, as I say, by the Osoyoos co-operative fruit and vegetable growers who previously had a 10-year building plan in hand. They had been requesting that the department pass on their total plans for the next ten years. This letter informs me that because of the change in the quality control they are faced with asking for this cold storage subsidy to help in the development of an additional 40,000-box storage. Has the minister received any information in regard to this quality control within the Okanagan valley?

Mr. Harkness: I have not received anything personally. My officials inform me they have no knowledge of any such request having come in. However, I should like to assure the hon. member that requests for cold storages on the part of co-operatives are always dealt with by us in as considerate a way as possible under the act. It would not be possible under the act to approve of a cold storage program which was to extend over the next ten years. Farmers' co-operatives that request assistance in building cold storages get first consideration and priority as far as we are concerned. It is only because we want to assist organizations of that kind that the act has not been repealed.

Mr. Pugh: May I clear up one point, Mr. Chairman. This co-operative will be applying within the next few days. Due to the lateness of the season I hope I can have an assurance from the minister that everything possible will be done to speed up the processing of the application.

Mr. Harkness: Yes, Mr. Chairman, we will certainly attempt to deal with it as expeditiously as possible and I can assure the hon. gentleman that we do this in all cases of this kind.

Mr. Fisher: Mr. Chairman, a little over a year ago a group of farmers in the lakehead became interested in trying to develop a cold storage plant there to take advantage of the operations of this act. They did not meet with success largely due to the fact in my judgment that they lacked experienced guidance and help. This brings up a question I have already brought to the minister's notice and on which I wish to speak later in another part of his estimates. I refer to the role played by the department in small isolated areas where because of the small number of farmers it is difficult to organize in such a way as to have the weight to take advantage of funds such as this and where it is difficult for these groups to acquire the necessary expertise.

Every time this brought to the minister's attention, probably through the advice of his officials, reference is made to it being a provincial matter, in essence, and to the fact that initiative should come from that source. The situation remains that our agricultural economy at the lakehead continues to drop. Appeals to provincial authorities do not appear to be effective. We do not seem to get the required leadership from the federal department in our region and we tend to be just a little saw-off of the Winnipeg offices of the department.

I was wondering if the minister could comment on this estimate of the situation and state whether or not he would agree that it is extremely difficult in an isolated region like ours to get a group together that can take advantage of this kind of legislation without much stronger leadership from the department.

Mr. Harkness: Mr. Chairman, as I have noted on several occasions previously, extension work in agriculture is the field of the provinces. We have no organization or staff available to carry on extension work nor do we have an organization from which we could draw men to send to all parts of the country to organize farm groups whether it be for the purpose of building a cold storage warehouse, a cheese factory, a potato warehouse or something else. In the division of responsibility between the dominion and the provinces this is a responsibility of the provinces and not the dominion. We do not have the staff or organization to do it.

Mr. Fisher: Could the minister say whether in the last year or two any money has been spent in the area west of the clay belts to the Manitoba border?

Mr. Harkness: I am informed that we do not have the records here beyond last year but last year there was no cold storage subsidized in that area.

Mr. Fisher: When I look at the provincial estimates and the pattern there I see a surprising number of these cold storage warehouses across the province of Ontario that have received support both under this and the provincial legislation but there seems to be a complete gap up in northern and northwestern Ontario. I urge the minister to have this situation examined and perhaps have a request sent to the provincial authorities asking them why there have been so few requests from that part of the country.

Mr. Harkness: I think I would be going beyond what is generally regarded as acceptable conduct if I were to support putting pressure on the provincial government to do more extension work in a particular part of the province. I believe that would be looked upon as unwarranted interference on my part in a provincial responsibility. I cannot give the hon. gentleman the assurance for which he asks.

Mr. Martin (Essex East): Mr. Chairman, may I ask the minister if the reason for that would be because it is now apparent that Premier Frost is not satisfied with the fiscal policy of the government?

Mr. Fisher: That is a red herring.

Mr. Harkness: Mr. Chairman, as usual the hon. member for Essex East is trying to introduce completely irrelevant red herrings.

Mr. Martin (Essex East): That is not a red herring. It is a genuine question.

Mr. Fisher: I want to underline the point I have made, Mr. Chairman, because in situation after situation, we cannot take advantage of this and other legislation due to our isolation. I am sure there have been no funds spent in our region under the stabilization act. There is hardly anything I can think of in the spending of this department that goes to the aid of our farmers because of their isolation.

I can cite an example from the pulpwood industry relating it to a portion of the agricultural marketing act of Ontario which contains a provision for support of co-operatives by the province. I took it up with a provincial minister and he said that he was not going to get himself involved in anything like that if he could help it; let sleeping dogs lie. While the minister's department is wait-

ing for the provincial department to take the initiative our little agricultural economy is collapsing. In so many aspects of the spending by the federal government the smaller places just have not a chance. It seems to me this requires a special effort, not only on the part of the smaller places themselves but on the part of people who have any ministerial responsibility. Even if the minister could do it unofficially will he just ask Mr. Goodfellow why it is that the provincial government is not taking any initiative in this particular item for our part of the country?

Item agreed to.

Dairy products division—

12. Operation and maintenance, $841,525.

Mr. Chevrier: Mr. Chairman, on this vote I wonder whether the minister would give the committee a short statement on the cheese producers in Canada. What I have in mind is the cost of production vis-à-vis the selling price, the premium on quality cheese, how it is divided as between the provinces?

While I know that the province of Ontario, and more particularly eastern Ontario, benefits in larger part from the premium on high quality cheese than any other province, none the less I think it would be helpful if the committee had a statement from the minister to that effect. I think the committee should also know what the position is of exports, what exports of cheese are being sent to the United Kingdom and the United States and what the position is in so far as that is concerned. I think it would also be of interest to the committee to know how the subsidies for the construction and reconstruction of cheese factories have been divided as between the provinces.

Mr. Harkness: Mr. Chairman, so far as the subsidies to cheese factories, which I think is the next item, are concerned, I have not a breakdown as between the two provinces but I can read them off and the hon. member can make a breakdown later: Williamsburg, Ontario, $15,100; I will give the round figure: Hammond, Ontario, $10,500; St. Croix, Quebec, $41,400; Albanel, Quebec, $52,000; St. Felicien, Quebec, $60,000; Chambord, Quebec, $60,000; St. Coeur de Marie, Quebec, $60,000; Newburgh, Ontario, $44,100; St. Jules de Beauce, Quebec, $60,000.

The hon. member will see from that that the great bulk of the money put out in the form of those subsidies last year, as it happened, went to the province of Quebec.

Mr. Chevrier: Are these subsidies for the construction of factories?

Mr. Harkness: Yes.

Mr. Chevrier: How are subsidies divided as to quality premium?

Mr. Harkness: As far as quality premiums are concerned, I have not a breakdown again between provinces; for Canada 94 score cheese or higher, 22,668,000 pounds; 93 score cheese, 34,780,000 pounds; 92 score or less, 37,652,000 pounds. There is still some room for improvement in the quality of the cheese produced in some areas.

Mr. Chevrier: I take it that the subsidy on most of this high quality cheese is paid in the eastern part of Ontario?

Mr. Harkness: I think that is probably the situation. I am sorry we have not that breakdown.

As the hon. member knows it is a little difficult to have all of these statistics with you. The general situation is that the quality of cheese production in Quebec has been improving in recent years and, generally speaking, is now considerably higher than it was a few years ago. As a result of that the premium price which people are willing to pay —and they were willing to pay a very considerable difference at one time for some of the Ontario cheese—for Ontario cheese as compared with Quebec cheese has narrowed quite considerably and is down now on the average from one half cent to 1 cent a pound.

Mr. Chevrier: What is the position with reference to exports?

Mr. Harkness: Last year, which was a bigger year for exports than we have had for a long time, we exported something in the neighbourhood of 17 to 18 million pounds, as I remember. I am not guaranteeing that to be the exact figure but it is in that neighbourhood. The exports this year have not been running as heavily as last year. However, I think we have every prospect of being able to export a very considerable amount of cheese; I would hope it might be very close to what we exported last year but it will have to be at lower prices.

The hon. member probably knows that last year the cheese producers got more for their cheese than they had ever got at any time in Canadian history. It just so happened that the very high price was to a large extent due to the drought in Europe last year which created a relative shortage of dairy products.

Mr. Chevrier: What was the price of the cheese sold on the United Kingdom market?

Mr. Harkness: Some of the cheese sold on the United Kingdom market was sold at prices somewhere between 40 cents and 44 cents a pound. This was last year during, as I say, a period when the price of dairy products

went up very rapidly and materially in Europe. At the present time cheese is being exported at about, I think, 32 cents a pound.

Mr. Chevrier: Is most of it going to the United Kingdom?

Mr. Harkness: Yes; we have no material exports anywhere else. The hon. member is probably aware that we have a quota of, I believe, 468,000 pounds of cheddar cheese in the United States, and that is all we are allowed to export to that country.

Mr. Chevrier: Was that quota filled in 1959?

Mr. Harkness: It was filled in 1959, yes.

Mr. Villeneuve: On the subject of cheese, I understand that the GATT trading arrangement is up for renewal with the United States this year. Is it possible to increase the amount of cheese that we are sending to the United States? After all, half a million pounds is the make in my constituency alone of 10 days in any of the summer months. It is an insignificant amount to go to a very good market when one considers the overall production of the country. The population of the United States is over 180 million and certainly 500,000 pounds do not appear to be an advantageous amount to our cheese producers.

With respect to the questions asked by the hon. member for Laurier, I may perhaps be a little closer to the situation than is the minister because the five eastern countries of Ontario produced roughly 30 per cent of the total production of cheddar cheese manufactured in Canada in 1959. I believe the quantity of cheese that scored 92, 93 or 94 and thus commanded top prices and the bonus was a little better than 97 per cent.

Mr. Harkness: I now have these figures. Exports of cheese last year were more than the figure I had in my mind. They were 20 million pounds rather than the figure of 17 to 18 million pounds that I gave. As to the scoring of cheese, cheese scoring 93 or more points in Quebec amounted to 59.34 per cent of their production and in Ontario cheese scoring 93 or more points amounted to 62.01 per cent in 1959.

Mr. Chevrier: Mr. Chairman, the hon. member for Glengarry-Prescott brought up a point which it seems to me is a very excellent one. If there is anyone in the house who knows the cheese situation I am sure it is he. He referred to increasing the export quota to the United States. We now have a number of committees on the ministerial level, the parliamentary level and also the business level in which United States representatives participate, the object of which is to iron out any problems or difficulties we have with the United States. It seems to me that this might be an excellent opportunity to bring up on the ministerial level at least the increasing of the quota. If the position is as the hon. member for Glengarry-Prescott states, and I am sure it is, that there could easily be a great increase in the production of cheese, then here is an opportunity to sell more cheddar cheese to that country. Would the minister give some consideration to the suggestion which has been thrown out?

Mr. Harkness: Yes, this would be a very desirable thing if we could accomplish it. As I think the hon. member for Glengarry-Prescott knows, I have made representations on several occasions particularly at ministerial meetings on economic affairs with ministers of the United States. Very strong representations have been made that the quota on cheddar cheese should be increased. We have not been given that but I hope that we may secure an improved quota over the one we have at the present time. Of course, I must say that whenever these matters are brought up the Americans point out that we have a complete ban on dairy products coming into this country and that we do not allow the entry of cheddar cheese or butter from any other country. Under these circumstances it is pretty difficult to say that they should increase their quota when we do not give them any quota at all.

Mr. Milligan: Mr. Chairman, I should like to say a word or two about increasing the quota. I was in the United States some time ago and I noted that our Black Diamond cheese was selling for $1.59 a pound there. Some of that cheese came from my own area where it is purchased for 32 to 34 cents a pound. There is a market in the United States and I suppose our cheese commands a premium price because of the limited quota. I should like to ask the minister whether we have anybody in Great Britain who is attempting to promote the sale of our cheddar cheese there?

Mr. Harkness: The answer to the hon. member's question is yes. The president of the Ontario cheese producers association is either over there or on his way over right now. This is also one of the things to which our agricultural counsellor in London gives constant attention.

Mr. Fisher: Mr. Chairman, I want to bring a few matters to the minister's attention from the brief presented by the Thunder bay milk producers association to the agricultural marketing inquiry committee of Ontario. Premier Frost of Ontario has become quite a committee man in recent

years and has been sending all kinds of committees foraging around the province to get ideas. Recently this committee visited the lakehead to find out just what the complaints of the farmers were and the milk producers submitted a brief which I can only say is an extremely pessimistic one, and with good reason because the farm decline in our part of the province has been astounding. I think it is proper to speak of it on this item because so much of the farming in our region is dairy farming.

It is apparent now that the quantity of improved land occupied and operated in the Thunder bay region has dropped phenomenally just as the population on the farms has dropped at a rate about ten times as great as in the other rural parts of the province. When the milk producers were through setting out their problems, competition from Manitoba, the very high costs of milk production in our area because of the long winter and short growing season, the scarcity of feed and other such factors, they wound up with a conclusion that I would hope will lead to a bit more initiative on the part of the provincial department of agriculture. They point out in their brief that they wish to emphasize that the farmers of the north require special help, assistance, understanding, leadership and support from the various departments of government, both provincial and federal, if they are to stay in the business of farming and to have the opportunity to provide a good standard of living for themselves and their families.

I know this is a platitudinous generality but it is a platitude with a tremendous amount of truth in it. If the provincial government does approach the federal government in connection with the problem of the dairy producers in our isolated region I would ask the minister to give the matter every attention. I know that he is not going to take any initiative on his part to enter into what he thinks is primarily a provincial matter, but if something should come from the provincial government in response to this complaint of the Thunder bay milk producers, I should like to have the assurance from him that he will seize that invitation much more boldly than is perhaps normal in his department.

Mr. Milligan: I should like to ask another question. Would it be possible to have a salesman from the marketing branch sell cheese in Great Britain?

Mr. Harkness: Mr. Chairman, the primary job of our agricultural counsellor, who is quite a high ranking officer in the high commissioner's office, is to promote the use and sale of our agricultural products in Great Britain. I do not know that the stationing there permanently of somebody from the marketing branch would be anything more than a duplication of work that is already being carried on. At one time or another we have sent people over on special missions to iron out particular difficulties. In fact, I have done a little of that myself on each of the last two occasions when I have been in the United Kingdom, last fall and the fall before.

Mr. Milligan: I certainly appreciate what the minister has done when he has been over there. I know he has promoted the sale of cheese. But I was thinking of 1953 when we were not selling any cheese to Great Britain. I happened to be at a dairy congress over there and at that time I met the dairy commissioner of Ontario who was at the meeting and also on a mission to sell cheese. I had the privilege of staying with him for a couple of weeks. We made some contacts and through the contacts we made at that time we succeeded in selling $10,000 worth of cheese inside of a week. That was the first cheese Canada had sold for some time and we have been selling cheese ever since. It seemed to me that the contacts he made at that time and the sales talk he put forward were responsible for the opening up of this cheese market again at that time, and perhaps if we had something of that sort, a man to assist the cheese producers to sell their cheese, it might create a little larger market in Great Britain for some of our surplus cheese.

Item agreed to.

16. Health of animals division (including the former administration of Animal Contagious Diseases Act and Meat and Canned Foods Act, and the former animal pathology)—

Operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from packers requiring special services, $8,778,641.

Mr. Horner (Jasper-Edson): If I may, I should like to make a few brief comments on the health of animals division in the minister's department, and the work that they have been doing. I should like to commend them for the work they have been doing and are doing. I should like to say a few words, however, concerning one of the difficulties they have in connection with veterinarians. I refer to the difficulty in recruiting qualified personnel to look after the veterinary work right across Canada.

This brings me to the subject of a veterinary college in western Canada. As the committee may know, in 1958 there was a university committee set up to conduct an investigation of the feasibility of establishing such a college, and they came to the unanimous decision that

we needed one in western Canada. Unfortunately a meeting of the three provincial ministers of agriculture vetoed the idea for the time being. We feel that this was a very retrograde step on their part, certainly when one considers that of the veterinarians in western Canada, 36 per cent are working for the federal government. This represents a large proportion of the veterinarians, and this branch of the department is having a great deal of trouble in recruiting qualified personnel. The opposition to the establishment of a western veterinary college rests on the fact that the maximum number of students are not now taking advantage of the courses offered at Guelph or St. Hyacinthe. This view, however, does not take into account the long distance from western Canada at which these colleges are situated, nor does it take into consideration the differences in the problems with which we are confronted in veterinary medicine in western Canada as compared with eastern Canada.

In order to give hon. members some idea of the number of veterinarians which we have in western Canada, I may say that we have one for every 13,000 head of livestock as compared with the United States which has one for 20,000 head of livestock. Certainly, with the very much improved program we have for tuberculosis, brucellosis and Johne's disease in cattle right across the country, we are going to need a large number of qualified veterinarians and technicians, as well as other people associated with veterinary medicine.

I should like to make a suggestion to the minister, that the heads of the four western colleges should get together again and perhaps if the minister can induce the Canada Council to make a substantial grant of several hundred thousand dollars toward the formation of a new veterinary college in western Canada, then the provincial ministers might give further consideration to this question. Certainly if we are going to maintain our livestock industry as it should be maintained in western Canada, we are going to need these veterinarians. Certainly if we are going to maintain the general health, not only of the animals but of people as well, then we have to have more qualified veterinarians, and we have to have the technical knowledge in this country. I hope the minister will try to give this a push, either officially or unofficially. I am sure it will do a great deal for the livestock industry in western Canada.

Mr. Harkness: The shortage of veterinarians is, as the hon. member for Jasper-Edson pointed out, a serious matter in Canada, particularly so far as the Department of Agriculture is concerned. Had it not been that we were able to recruit a considerable number of veterinarians from the United Kingdom and from some European countries we would not have had sufficient staff to carry on the activities which, under the various acts, we are required to carry on in the way of inspection facilities and so forth.

I was very disappointed when the four western universities, or perhaps their governments, decided not to go ahead with the construction of a western veterinary college. I certainly hope they will see fit to do that in the relatively near future. So far as a grant from the Canada Council is concerned, I would be a little doubtful whether the members of the Canada Council, except our representative from Alberta who is a rancher and represents the livestock and agriculture industry generally, would look upon a veterinary college as a cultural activity.

Mr. Herridge: I am not quite sure whether I am in order, but I think I am approximately in order. I want to say a word or two about a matter that does concern an increasing number of my constituents who are interested in the raising of beef cattle. I may say, for the information of the minister, that there has been a considerable increase in the population of beef cattle in the Kootenay West area, particularly in some of the isolated valleys. When I tell him that I know of one valley that has 16,000 acres of first class grazing land which are, as yet unused, he may understand the possibilities for development in the future.

However the West Kootenay and central farmers institute, and I think the deputy minister of agriculture in British Columbia, have had some correspondence with the health of animals branch with respect to getting Nelway designated as a port of import and export for Canada. I took this matter up with the minister in February, and he kindly informed me that Nelway is designated for the inspection of cattle, but that it is entirely up to the United States authorities whether or not they agree to have their port designated for the export of cattle. I fully appreciate that situation, but I would ask the minister and his officials to keep the matter in mind, knowing that there is still great interest in this question. It is a great inconvenience to those who ship cattle from West Kootenay or from the eastern portion of East Kootenay to ship through other ports. I trust the department will keep the matter in mind, and if there is an opportunity to persuade the United States authorities that they would be justified in taking this action it would be very much appreciated by those people who are raising beef cattle in my constituency and in the surrounding area.

Mr. Harkness: I recall this case. I remember the United States authorities took the position, which I could not say was not justified, that there was not sufficient traffic through this point to justify the maintenance of a regular inspection service. However, if there was need for inspection, say every two weeks or once a month, they would consider providing that inspection service. The amount of traffic is very small, and it does not justify them having a man there; there is no question about that.

Mr. Herridge: Would I be correct in suggesting to the beef producers that if they could make some arrangement to ship at a certain time, and notify the authorities, it might be possible to have an arrangement made with the United States authorities?

Mr. Harkness: Under these circumstances I think we could make arrangements with the United States veterinary service to have somebody there to make an inspection.

Item agreed to.

17. Construction or acquisition of buildings, works, land and equipment, $343,540.

Mr. Caron: I notice in the details there is an amount of $265,200 for the construction or acquisition of buildings, works and land. Could the minister give some details of this item?

Mr. Harkness: The buildings provided for are at Saint John, New Brunswick, construction of a cattle barn, and a railway siding, $79,000; at North Portal, Saskatchewan, construction of a corral, $4,000; a cattle barn and a railway siding, and an administration building at Lethbridge, Alberta, $100,000; fire protection system at Lethbridge, Alberta, $80,000; and access roads to the new laboratory site there, $2,200. Those are the buildings.

Mr. Caron: That comprises the $265,200?

Mr. Harkness: Yes, for building.

Mr. Martin (Essex East): This vote is No. 17. I note that the request for the fiscal year 1960-61 is $343,540. That was also the amount asked for in the fiscal year 1959-60. In the matter of an estimate for the construction of buildings or for that matter in any estimate, it is rather unusual that the precise amount asked for in the previous year should be asked for in the current year. Does this represent careless estimating? Is this not an indication perhaps that the government is not taking the steps with regard to retrenchment which we were assured were taken? In any event, I think the committee is entitled to an explanation of why the precise amounts are covered for the two fiscal years.

Mr. Harkness: Again, most of the construction moneys provided for were revotes which were in last year. Apart from that fact, the reason for this is that treasury board reduced our requests by a considerable amount here and brought them down to the same amount that we had provided for last year. We were obliged to distribute the money on that basis. That is the explanation of their being brought down to this point. We had actually asked and put in an estimate for a larger amount than that which appears.

Mr. Martin (Essex East): I can understand how you could have the same amount if you were giving a grant to some organization; but where it is a question involving the construction of buildings, unless you propose to leave out a door or not instal a bathroom, I cannot understand the situation.

Mr. Harkness: I think the hon. member does not realize that this vote takes in equipment as well as construction; and the equipment is the item particularly which has been cut down.

Mr. Martin (Essex East): The explanation is not too satisfactory but I suppose we shall be obliged to accept it.

Mr. Caron: When a building is contemplated is any plan or estimate made by the department before they go to the treasury board to ask for the money?

Mr. Harkness: Yes, of course, we have a plan. We have a plan for, say, public buildings A, B, C, D and E. We put them in the estimates and the treasury board may insist that we take out one or two of them, thereby cutting down the amount.

Mr. Caron: Is there not any fixed estimate as to what such a building or such equipment would cost? How is it possible to cut it down without looking at the estimate? That is, how is it possible to cut it down to the very same amount it was the year previous without looking at the estimate?

Mr. Harkness: As to equipment, you can adjust it down almost in any way you wish. You just buy that much less equipment of various kinds. We put in a certain amount for equipment and treasury board says, "You will have to get by with less equipment and get this vote down to not more than it was last year". That is the position in which we found ourselves.

Item agreed to.

21. Supervision of race track betting, $589,374.

Mr. Martin (Essex East): Will the minister explain why the vote this year is just about $2,000 less than that in 1959-60? Does this mean there is less gambling?

Mr. Harkness: The difference is chiefly owing to travelling expenses. Travelling expenses are responsible for most of the reduction. One thing I should like to make clear to the committee, if everyone does not understand it, is that this does not mean any money out of pocket as far as the dominion of Canada is concerned. We take in a part or percentage of the money wagered. One half of one per cent of the money wagered comes to us. In return for that money we provide race track supervision including eye in the sky, the testing of horses, saliva test and so on.

Mr. Martin (Essex East): What is eye in the sky?

Mr. Harkness: It is a camera device which follows the race right around. By looking at the film it can be determined whether the jockeys did anything which was illegal and so forth. It is a means of ensuring to the general public that the race has been run completely fairly. Also, of course, it determines at the finish line, by photographic means, exactly which horse won.

Item agreed to.

22. Grants to agricultural fairs, exhibitions and museums in accordance with regulations of the governor in council; payments pursuant to agreements in force on March 31, 1960, with exhibitions covering the construction of buildings and other major undertakings; and a grant of $50,000 to the royal agricultural winter fair, Toronto, and freight assistance on livestock shipments for exhibition thereat, $929,600.

Mr. McFarlane: I should like to bring one or two points to the attention of the minister. At the present time under the regulations governing the application of exhibitions under class B, section 5, the application is accompanied by a statement certified by a responsible officer of the fair showing the details of the prize money paid by the fair in respect of specified exhibits in each of the three years preceding the year in which the application is made and showing that in each year the prize money so paid amounted to not less than $5,000.

I feel that the intention of the act was to help the small exhibitions. Apparently by setting the help on a prize money basis of $5,000 we are not recognizing the smaller exhibitions until they get into the big time area. The present regulation eliminates all the local fairs which require assistance federally and more or less of a provincial nature.

In my area we annually hold a very excellent exhibition and fair in the lake Windermere valley sponsored by East Kootenay Industrial and Agricultural Exhibition. It is unfortunate if exhibitions of the smaller nature are going to be prohibited from making application for assistance at a time when they really need it in order to get started. I feel that if exhibitions of this kind could be assisted, it would not be long before they would be able to expand and include the facilities and also the buildings they have on the ground.

As I mentioned previously, this agricultural fair that is put on in the lake Windermere valley actually needs assistance in order to get started and get on their feet. I should like to suggest to the minister that these regulations be reviewed so that the smaller exhibitions will have a chance to expand.

Mr. Harkness: The $5,000 in prize money is for class A fairs. There are also class B fairs for which the requirement is $3,000 in prize money. That, of course, takes in a large number of the smaller fairs. Fairs which are smaller than that and have a prize list of less than $3,000 are by and large assisted by provincial grants and they are looked upon as being really a provincial responsibility. When you get down below $3,000 in prize money you get into the local fairs. These quite small local fairs with prize lists of less than that are looked upon as a provincial responsibility. They look after them and we look after the regional and provincial fairs, the large fairs.

Mr. Henderson: In my district we have two large fairs. I have spent the past winter in arguing with the Department of Agriculture about one fair which had made a mistake in their prize list. I was the manager of this fair for five years and it has been in existence for seven or eight years. I will give you an idea of how large it is. In one class alone there were 200 saddle horses. We also have cattle of all kinds. As I understand it, we must wait until next year to get into class B. What we are trying to do is to get into class B. The other fair is at Prince George. It is a large fair. I want it made easier for these fairs to get into the class B classification because then they get help, the minister says. We have these two fairs. I want those in authority to take a little easier view of this thing. With regard to the prize list, what happened was this.

Prior to this what happened was that the prizes, cups and all kinds of silverware worth hundreds of dollars did not count at all, and from being a B class fair last year we recovered an amount of $140 although I cannot be exact now. I phoned up, the department phoned up, the accountants took charge of the figures. I was at the meeting in the Peace river country where we have the Dawson Creek fair, and the accountant for the government said that everything was

O.K., yet when I got back here it was not. So I would like to see things a little easier for the fairs.

Mr. Harkness: I can assure the hon. member that I remember this case quite well; he brought it to my attention some time ago. At the Dawson Creek fair the difficulty apparently was that their auditors put in a sum which did not include all the prize money, and on the basis of their audited statement, under the act we were not allowed to pay. We have attempted to get things straightened out by a new audited statement which will I hope qualify this fair for the grant.

Mr. Herridge: Mr. Chairman, I rise to support the views expressed by the previous member. I was manager of a fair for over ten years and in one class alone there were over 200 jars of pickles and jams. But as far as this vote is concerned I speak particularly of the west Kootenay agricultural exhibition which is held in Nelson. I was taken with the remarks of the hon. member for Cariboo when he mentioned that sufficient credit was not given for the valuable cups, prizes and other things. I think there should be a review of the basis on which these grants are made in order to assist what from our point of view in the little areas are quite substantial and developing fairs, and I wholeheartedly support the remarks of the previous member.

Item agreed to.

24. Grants to agricultural organizations as detailed in the estimates, $239,250.

Mr. Herridge: Mr. Chairman, one comment here; I have been very restrained all day. First of all, I am very glad to see that in this vote provision is made for the continuation of the $10,000 for the women's institutes of Canada. They are doing excellent work, particularly in the rural areas. I cannot help but bring to the attention of the house the fact that the present president of this organization, the federated women's institutes of Canada, Mrs. Roylance, is a lady who comes from a very well known pioneer Kootenay family, a person we are all very proud of because of the work she is doing for this organization.

I have one question. I am rather intrigued by the fact that this $10,000 for the federated women's institutes of Canada is included in the vote under the livestock division. Could the minister explain that?

Mr. Harkness: I might explain that that is purely for administrative purposes. These grants have to be administered by one branch of the department, and this is included under the production and marketing branch, livestock division, because most of them deal with livestock grants.

Mr. Weichel: Mr. Chairman, I would like to say a word here about the 4-H movement, which comes under this item. I understand that the 4-H movement had its roots in the gardens of our rural schools more than 40 years ago. From that humble beginning the organization as we know it gradually evolved, and today numbers 75,854 boys and girls. Many thousands of people on farms or in jobs related to agriculture acknowledge their debt to their early association with 4-H. The governments, both federal and provincial, are solidly behind 4-H because the value of its educational, vocational and social activities has been amply proved. The care of livestock, knowledge of crop cultivation, particularly the value of good seed, and on the distaff side, homemaking with special reference to rural life, are among the subjects taught which are most closely related to the farm. Other less tangible assets derived from 4-H work, but of paramount importance, are leadership, ability to work alone and with a group, making decisions, public speaking and citizenship.

As we well know, the federal government last year broadened its own farm loan program and in setting up the Farm Credit Corporation made special provision for loans to capable farmers as young as 21 years of age. If such a farmer has sufficient equity and qualifications he can get a loan as high as $27,500 for the purchase of a farm. Such a loan would cost only 5 per cent in interest and the period of repayment could be stretched to 30 years if necessary. Of course the lending authority would have to be satisfied that the enterprise and the plan of operation bore reasonable promise of success, but this is to the advantage of the borrower as well as ensuring that the public money will be repaid. Loans are made up to 75 per cent of the assessed value of the farm and every assistance is given by the local district officer of the Farm Credit Corporation in preparing and presenting loan applications. I mention this to demonstrate that our government is confident that there is a great future on the land for those citizens who prepare themselves for such a career.

At the 4-H stage we are concerned that the young folk develop a love of farm life, or at least an appreciation of the part the farmer plays in the structure of the nation. There are more than 20 agricultural and home economics projects in which the children may engage. They learn good practices at an age when they have not had time to

learn bad practices. Some of them have appeared at provincial forums and in recent years the representatives of each province have been our unofficial ambassadors in the United States, meeting their opposite numbers and seeing something of the great agricultural organization set up by our neighbour farmers across the line.

Graduates of 4-H find themselves at the threshold of a variety of careers. They may continue as junior farmers and carry into practice with their own stock and crops the knowledge they have gained from others. Many go into technical schools for training and some enter universities and eventually become professional men in one of the various fields open to young people today. It is very pleasing to record that some of the best leaders in 4-H work have been recruited from the ranks of junior farmers in Ontario and, in other provinces where there is no equivalent organization, from the graduates of 4-H clubs.

In Waterloo county I am told that there were 212 4-H projects completed in 1959. Of these, 132 were in calf clubs, 38 in swine clubs, 10 in a poultry club, 19 in a tractor club and 13 in a conservation club.

The Deputy Chairman: Order. It being five o'clock, in order to allow the house to proceed to the consideration of private and public bills pursuant to section 3 of standing order 15, it is my duty to rise and report certain resolutions and request leave to sit again later this day or at the next sitting of the house, as the case may be.

Mr. Weichel: I have just a few remarks left, Mr. Chairman.

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

The Acting Speaker (Mr. Rea): It being five o'clock the house will proceed to the consideration of private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

PRIVATE BILLS

GLAFIRA MILCZYN SOHN

The house in committee on Bill No. SD-46, for the relief of Glafira Milczyn Sohn otherwise known as Vera Milczyn Sohn—Mr. McCleave—Mr. Rea in the chair.

The Deputy Chairman: Shall we take these 49 divorce bills in one item?

Mr. McCleave: Mr. Chairman, before a decision is made perhaps I might be permitted to speak briefly to this point. Looking ahead at the cases I find that there are several where the legitimacy of children is going to be affected by the decision we take here and I am wondering whether or not we could proceed with dispatch to a consideration of some of these bills. I therefore appeal to the hon. member for Skeena and the hon. member for Timiskaming who is not now present in the committee that they select the bills which they would like to have debated in the committee and let the other ones go through. It would be a most humanitarian gesture if in those cases where there is apt to be a question of illegitimacy we could prevent it.

Mr. Howard: I desire to co-operate in every way possible.

Mr. Thrasher: What a laugh.

Mr. Howard: Perhaps the hon. gentleman who has raised a similar question on other occasions has had an opportunity of going through those bills and gleaning this information from them. He is doubtless in a better position to select the bills that might be considered in this light. Perhaps another day we could do this. It was my understanding that the hon. member would make the selection, since the question was raised before. I will therefore proceed with Bill No. SD-46.

On clause 1—*Marriage dissolved.*

Mr. McCleave: Mr. Chairman, the petitioner who comes before us this afternoon asking for relief from parliament, like a goodly number of other applicants, is from the province of Quebec. She is a woman 49 years of age who is employed as a clerk. Her salary is approximately $70 a week. A few months after her marriage in 1958 her husband practically threw her out of the common home and took up residence with another woman.

As I have mentioned before, most of these cases from Quebec are applications by women who are in extremely humble circumstances and this petitioner is exactly in that category. If the House of Commons could see fit, in its humanitarian way, to grant this woman relief I am sure we would all leave this chamber at the end of the day feeling a great deal happier.

Mr. Howard: Mr. Chairman, like the hon. member for Halifax I want to speak to this bill.

Mr. Chambers: Will the hon. member speak for the same length of time?

Mr. Howard: I want to make the hon. gentleman as happy as possible and I trust his hopes in that regard will be met. The details mentioned by the hon. gentleman are correct. The petitioner is a person of humble means. It is unfortunate that she must pay

the very high cost of this divorce and were she living in another province that had a divorce court—

Mr. McCleave: On a point of order, Mr. Chairman. I submit that this is entirely out of order. There is no indication anywhere in the evidence as to the amount this woman has paid for the divorce and, second, any reference to an action in another province is clearly irrelevant.

The Deputy Chairman: The hon. member for Halifax has a valid point and I am sure the hon. member for Skeena realizes that. We have had these cases before us on previous occasions and I am sure the committee now knows what can and cannot be discussed. I hope the hon. member for Skeena will conform to that.

Mr. Howard: Certainly, Mr. Chairman. The petition was signed March 24, 1959 in Montreal, Quebec. Reference is made in point No. 1 to the date of the marriage, September 27, 1958 in the city of Outremont, district of Montreal. In point No. 5 it is stated that there are no children of the marriage as the hon. member for Halifax said.

Mr. McCleave: I did not say that.

Mr. Howard: In point No. 6 is stated the allegation of adultery giving the name of the corespondent, the address at which the misconduct took place and the date, March 6, 1959. There are two investigators called as witnesses, Mr. Etheridge and Mr. Brault, both of Montreal. They have appeared as witnesses before in other cases and presumably will appear in future cases.

The petitioner was called as a witness and in reply to questions asked by the clerk as reported at page 9 of the evidence testified:

Q. When were you married?
A. In 1958, September 27.
Q. Where?
A. In Montreal.
Q. Montreal or Outremont?
A. Outremont, yes.

She then gives the name of her church and and identifies her marriage certificate and the fact that the names and dates on it are correct. A photograph is entered as exhibit No. 2 and is identified as a picture of her husband taken approximately two weeks after the marriage probably in October, 1958. There is evidence of marital difficulties preceding the alleged adultery. The petitioner is questioned by her counsel, Mr. Lieff, at page 10 as follows:

Q. Until when did you live with him?
A. Until December 24, the same year.

That is two or three months after marriage. I continue:

Q. What was the trouble?

A. After the marriage he went on a trip to Brazil and when he came back it was all changed. He made up his mind and it was all changed. He started to pick on me and he made me pay the bills.
Q. What bills?
A. I had to pay for the apartment and I had to pay all bills like insurance and everything.
Q. Out of your moneys?
A. From my own money, yes. I had to give him my pay. He told me I would always be working because I was settled down, and when he did not get any more money, all the money he wanted, because I stopped paying the bills, he told me, "You better get out from here." So, I spoke to my family. Then he said again, "If you don't move out, I will throw you out," and I went on Christmas eve in the evening; my family came and picked me up.

Then there are subsequent questions relative to the age of the husband and of the petitioner. Questions were also asked as to whether there was any collusion between the petitioner and the respondent. Questions were also asked by Mr. Lieff as follows:

Q. Is there any understanding between you and him to get a divorce?
A. No.
Q. Did you scheme about the adultery complained of or arrange that adultery should be committed?
A. No.
Q. Did you put any woman in his way, either directly or indirectly, to tempt him or to trap him?
A. No.
Q. Were you with him on the 6th of March, 1959, at——, apartment No. 308, in the town of Mount Royal?
A. No.
Q. Have you lived with your husband as man and wife and had marital relations with him since the separation?
A. No.

Then, there is a question relating to how long they had known each other and the answer to the question and then Mr. Lieff goes on:

Q. Do you think that if you had more time you could perhaps rebuild your marriage?
A. No.
Q. Would you take him back?
A. No.
Q. Under any circumstances?
A. No.
Q. Have you forgiven him for the adultery complained of?
A. No.
Q. Did you do what you could to make a success of your marriage?
A. Yes.
Q. You tried to make a success of it?
A. Yes.

So much for the questions in regard to making the marriage a success. Then questions followed by the chairman of the subcommittee, Senator Cameron, and also by Mr. Lieff, which deal with the problems that arose shortly after the marriage, about paying the bills, and income, and matters of that kind.

Then Mr. Etheridge appeared as a witness and was sworn and gave testimony with respect to what he had discovered. Mr. Lieff questioned him as follows:

Q. Will you please take communication of exhibit No. 2, a photograph. Can you identify the person of whom that is a likeness?

A. That is Mr.—. That is the picture given me by Mr. Usher of Montreal, attorney, during the month of February, 1959.

Q. Did you make inquiries about him?

A. We had certain information which we verified, that he was living at—,also that he was a bookkeeper working for—.

Q. Did you verify that?

A. Yes. We found out also that he had no driving accommodation and was using autobuses to go back and forth to work. We found that there was a woman living on the premises with him. On Friday, March 6, 1959, Mr. Brault and myself took up observation in the vicinity of—, and at 3.45 we went up and rang the doorbell. There was no answer. We made a phone call to that telephone number but there was no answer. At 6.15 Mr.—entered alone. At 8.45 he came out and walked to a drug store at—, and at 9.25,—the woman he was living with came into the drug store and the two were in the drug store for about 20 minutes and then both walked back and entered at—, and went up to apartment No. 308. At 11.15 p.m. we rang the doorbell at apartment 308. We had originally got information from a client of ours who has lived in that building. We obtained certain information and we were on the inside and could gain access without having to ring the bell from downstairs. After we rang the doorbell the door was opened. We presented ourselves and he was flabbergasted at seeing us at the door at the very moment he opened it. I asked him if he was—and I identified myself. At the same time Mr. Brault and myself entered with him to a small hallway.

Q. When you asked him if he was Mr.—what did he say?

A. He admitted that he was. We said we wanted to speak to him privately and we stepped in with him.

Q. Did you have the photograph with you?

A. Yes. When we were inside the apartment we identified ourselves once more and he admitted that he was—and also that the picture which was in our possession was a picture of himself.

Q. And that picture was exhibit No. 2?

A. That is right, the same picture we had that night. When you were in the apartment there was a little hallway and there was a large living room to the left completely bare except for a green carpet and a television set; there was no other furniture. The kitchen was off the living room and facing you as you entered there was another room, completely bare.

Q. Do you mean there was no furniture?

A. None whatsoever. The bedroom was to the right and we went to the bedroom and saw a woman lying on the right-hand side of the bed and we could also see where he had alighted from the left-hand side of the bed to come and answer the door.

Q. Someone had got up from that side?

A. Yes. The woman sat upon the far side of the bed. She was wearing the top of red pyjamas and she admitted that her name was—. There were women's underclothes on a chair on the far side and there was a man's long winter underwear on a chair to the left as you entered the room. The overshoes of both parties had been noted outside in the hallway.

Q. Noted by whom?

[Mr. Howard.]

A. By Mr. Brault and myself. We had seen them prior to entering. We informed them that we had seen everything that we needed and that he would be hearing from his wife's attorneys in the near future. He was wearing a blue flannel dressing gown and slippers when he came to the door.

Q. Was the woman whom you saw there the petitioner who is sitting here this morning?

A. I have never seen the petitioner until this morning.

That is the end of the questioning of Mr. Etheridge. Mr. Gerry Brault appeared as a witness. I would point out, Mr. Chairman, that in some cases they spell this fellow's Christian name with a "J" as they do in the minutes of the proceedings, but in the evidence it is spelled with a "G". Mr. Brault is asked to identify the photograph, exhibit 2, and he does so. Then he is asked these questions:

Q. Did you investigate his conduct?

A. Yes. On March 6 at about 11.30 I accompanied Mr. Etheridge to—and we went up to apartment —We rang the bell and Mr.—opened the door, wearing a blue dressing gown and slippers. We walked into the apartment and Mr. Etheridge identified himself to him and he admitted that he was—and he admitted that the picture in our possession was his picture.

Q. That is exhibit No. 2?

A. Yes. We walked into the bedroom and a woman was lying in the bed and she sat up in the bed, wearing the top of red pyjamas. When Mr. Etheridge asked her name she gave it as—So, Mr. Etheridge told both of them that they would be hearing from his real wife's attorney. They both admitted that they were living as man and wife. Mr. Etheridge said that they would be hearing from his real wife's attorney in the near future, and we left. The bed showed that it was occupied by two persons. On one chair there was a woman's underwear and on the front of a chair near the clothes closet we saw shoes and stockings.

Q. Did you go into any other rooms?

A. Yes. We went into the other room. Well, it was one set-up. There was nobody there, only one bedroom, only one bed and it showed that it was being slept in by two persons.

Q. Please look at the petitioner. Was she the woman whom you saw there and who gave her name as—?

A. This is not that woman.

We can see from this brief reference to the evidence that this case is unlike so many other cases. There is no great difficulty involved. There are no arguments and no one gets angry at the investigators. It appears to be quite a normal thing for the respondent to want to participate in such an event. Perhaps he too expected such action was forthcoming and that if, as is given in the evidence, he and the corespondent were living as man and wife he could expect almost daily that something of this nature would occur and that divorce proceedings would be be initiated. I would imagine that anyone in similar circumstances could reasonably be expected to think in somewhat the same terms

As I said before, the evidence given here shows that circumstances existed which could reasonably be interpreted as indicating either that adultery had taken place or might reasonably be expected to take place. That is also corroborated extensively by the reference to the respondent and corespondent living as man and wife in a common law arrangement when in fact they were not married. Probably this is sufficient in itself to be acceptable as proof of adultery. I understand that evidence of this nature would be completely acceptable in a court of law, that the evidence is quite acceptable where it appears that a situation exists where a couple are living together as man and wife and in fact this is considered to be grounds for a divorce even though some slight reference must be made to adultery by indicating that there is a bedroom, that the pillows have both been used and the bed is mussed up and that there is only one bed. It would seem, of course, that we should give different degrees of weight, as I am sure a court would do, to different types of evidence and different circumstances. If, for argument's sake, evidence had been adduced that this couple had visited a hotel or motel where they had registered for only one night, perhaps additional corroborative evidence would be needed by the courts and by the committee of the other place to establish the necessary proof.

I have no further comments to make, Mr. Chairman. I am quite sure that in this instance, as was indicated by the hon. member for Halifax, there is no conflict in the evidence of the investigators apart from a 10 or 15-minute time difference which actually means nothing. One investigator specified the time and the other gave an approximate time, but apart from that this is one of those cases where the evidence was submitted clearly. The investigators corroborate each other as to what they saw and there is no real conflict between them.

There appears to be no reference to invasion of the rights of individuals such as we find in other cases, that is, evidence of investigators forcing themselves into someone's premises. They walked in and we might assume that there was some form of invitation or acquiescence at least on the part of the respondent. In short, this is one of those cases where we probably cannot engage in too much discussion.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed on division.

Private Bills—Divorce

MILITZA ANICH RACETTE

The house in committee on Bill No. SD-47, for the relief of Militza Anich Racette—Mr. McCleave—Mr. Rea in the chair.

On clause 1—*Marriage dissolved.*

Mr. McCleave: Mr. Chairman, only a few useful words can be said about this case. The petitioner comes before us as another woman from the city of Montreal. She is 37 years old and of somewhat better means than the average in these cases. Her income is $540 a month and she has a position as an advertising manager. The facts are that her husband is living with another woman, as frequently happens in these cases. The evidence is presented in a straightforward manner and I would commend this woman's future to the tender hands of the House of Commons.

Mr. Howard: Mr. Chairman, there is a great deal of similarity to the case we have just been debating although, as the hon. member for Halifax points out, the petitioner appears to be in better financial and economic circumstances than the young lady in the case with which we have just dealt. There is another point of difference. There was one child born of this marriage and there is some evidence of cruelty on the part of the husband. The petition shows that the marriage took place on April 15, 1954, in the city of New York, in the state of New York, U.S.A. There is one child of the marriage born on May 15, 1956. The allegation is that adultery took place on September 9, 1959, and the address given there for the corespondent is the same, the corespondent is indicated to be living at the same address. There are two investigators involved in this case, namely Gerard Daigneault and Clovis Paquette, both of Montreal. Mr. Lieff also appears as counsel for the petitioner in this case, and the petitioner appears as a witness and gives evidence.

Upon questioning by the clerk of the committee, she gives her age, occupation and so on. Then, he asks:

Q. Are you married and, if so, to whom?
A. Yes, I am—

She gives the name of her husband, the respondent in this particular action. Then there is another question to clarify the name because apparently the husband, on occasion, uses a name quite a bit different from his surname as given in the petition.

Q. When were you married?
A. I was married six years ago.
Q. The date, please?
A. April 15, 1954.
Q. Where?
A. In New York.

She says where she was married, her religion and that of her husband.

Q. I show you a document. Do you recognize this?
A. Yes.
Q. What is it?
A. This is my marriage certificate.

There is a question about the names and dates, and she indicates that those are correct. The certificate is filed as exhibit 1. She is also shown a photograph taken shortly before her marriage in 1954 and this is filed as exhibit 2 when she has identified it. There are some questions then by Mr. Lieff of the petitioner, and he asks:

Q. Did you have a family issue of this marriage?
A. Yes, one daughter.
Q. What is her name?
She gives the daughter's name.
Q. Was she born on the 15th of May, 1956?
A. Yes. she was.

Then there was some court action with respect to the child and questions are asked by Mr. Lieff with respect to the judgment:

Q. This action in court, was that finalized by a judgment? Was there a judgment?
A. There was a judgment.
Q. Did the judgment deal with the question of the custody of the child?
A. Yes.

The Deputy Chairman: I must remind the hon. member again that there is nothing in this bill concerning the child and, therefore, that subject is not relevant to the bill.

Mr. Howard: If I may deal with that question of order, sir, I know that you yourself have made rulings on this question of children. However, if I may I should like to draw to your attention the fact that I believe you were in the chair on May 6, 1960 when the hon. member for Timiskaming was discussing some of the questions in the evidence. According to page 3667 of *Hansard* for that date, the hon. member for Vancouver South rose to a point of order as follows:

Mr. Chairman, on a point of order, I do not think that under our rules any hon. member is allowed to read with the extreme length and detail at which the hon. member is reading from the report to the committee. We are supposed to be debating this bill and not reading irrelevant portions of the record of the committee. I submit he should refer to the evidence and give his own views.

Then the deputy chairman said, and I believe this was you:

The evidence of the committee can certainly be used in the house in any way an hon. member wishes to do so. He may read it, discuss it or refer to it.

Mr. Broome: But, Mr. Chairman, would an hon. member be allowed to read at extreme length without any point to his reading?

The Deputy Chairman: I certainly would not want to rule under any condition that the evidence given in a committee of the other place could not be read or discussed here. I invite the hon. gentleman to remember that such a ruling would affect all private bills and not only divorce bills.

Then the hon. member for Halifax entered the discussion of the point of order. I will not go further into this. The whole case is before us. The hon. member for Halifax said:

On the point of order, should not the reading be relevant to the consideration of the committee which I think is the point that more concerns my hon. friend? We have had a discussion of the children, reconciliation procedures and other matters which do not seem very germane to an act for the relief of this particular woman. That is the point of order I raise.

My friend the hon. member for Timiskaming as a substitution for debate has read most of the evidence on pages 9, 10 and 11 of the report but this does not strictly concern itself with the substance of the bill that is before the committee this afternoon.

The Deputy Chairman: Anything in the evidence which refers to the bill may, of course, be referred to and read. The Chair has already ruled that the hon. member cannot discuss the children and he appears to understand that ruling. I hope that straightens away the matter.

The only point I am raising here, Mr. Chairman, with deference, is that there appears to be some conflict between the ruling that was made in one instance when the deputy chairman says:

The evidence of the committee can certainly be used in the house in any way an hon. member wishes to do so. He may read it, discuss it or refer to it.

If anything can be read or discussed in debating this particular bill, that refers to the children. I am attempting to have this particular point clear because I think there is some doubt in my mind as to whether or not it is permissible under the ruling to make reference to the evidence taken before the committee of the other place, even though the subject matter to which that evidence refers is beyond our jurisdiction here.

Mr. McCleave: May I speak briefly to the point of order? I thought the previous rulings were to the effect that we could read the evidence, even ad nauseam of the Senate divorce committee on a particular case, if the matters that were read or if the matters that were discussed there were relevant to the bill under consideration. I think that is the obvious point of distinction that should be drawn. I think it would be improper for us to deal with matters relating to the children which are matters of court procedure in the province of Quebec and, therefore, not really matters under the jurisdiction of the Canadian parliament in considering a divorce bill.

I think that point of order has been raised before and I think there is a clear answer to my hon. friend about reading from reports. Yes, it may be done if it is relevant to the issue before us.

Mr. Howard: Before you do rule, Mr. Chairman, may I make one more comment about this. It raises another matter and perhaps I can put this, not as a point of order but as a question with which you may deal. When the hon. member for Halifax opened the discussion on this bill he made a reference to the economic position of the petitioner and stated the income which she was receiving. I wonder whether Your Honour would rule, also, whether or not such a reference is germane to the bill before us.

The Deputy Chairman: Of course, in ruling on the question of children, I made it very plain before that the evidence given before the committee of the other place may be used here if it is relevant to the bill before us. I thought I had made that plain, and I believe that answers the other question as well.

Mr. Howard: I take it, Mr. Chairman, that hereinafter we cannot deal with the income of an individual or his economic or other circumstances. I had intended to follow along, because the hon. member for Halifax had done so, in making a slight reference to the income of this petitioner in this particular instance and the sufficiency of it for herself. As I agree with your ruling, Mr. Chairman, which is now clarified fairly well, we will dispense with that particular reference.

Some difficulties arose prior to this time. Perhaps I could make reference to them. This is with respect to their living together and cohabiting:

Q. Until when did you live with your husband?
A. Until January three years ago.
Q. Would that be January 1957?
A. Yes.
Q. What happened at that time?
A. He left our home towards the end of January.
Q. Had you taken any action in the courts?
A. Yes.
Q. Was it as a result of the action he left your home?
A. Yes.
Q. Prior to that what was the situation in your home?

This answer gets to the relevant part of it.

A. About a year and a half after our marriage he began to mistreat me very badly both mentally and physically.
Q. What do you mean mistreated you physically?
A. He beat me.
Q. How often did that happen?
A. Very often, at least two or three times a week.
Q. What finally happened?
A. Finally one evening he beat me so badly that he burst open my ear.
Q. Did you get assistance at that time?
A. No. I was too ashamed to mention it.
Q. Did you ever have to call anybody into the house in connection with these beatings?
A. I did not because I had a full-time housekeeper who heard this last beating.
Q. I was thinking of the police or something of that nature.
A. Oh yes, I did call the police on one occasion.

If this young lady, the petitioner here, and her husband had been living in the province of Nova Scotia, I am sure they would have had no difficulty in obtaining a divorce on the evidence given here. It seems odd that people in one province have different opportunities for divorce from those of people in another province.

Mr. Chambers: Order.

Mr. Howard: Perhaps our federal laws should be altered accordingly so that there is uniformity.

Mr. Chambers: Order.

Mr. Lambert: Continued attempts to disregard the Chair.

Mr. Howard: My friend says "continued attempts to disregard the Chair".

The Deputy Chairman: Order.

Mr. Howard: May I say this? When the chairman calls to my attention the fact that perhaps I am not strictly following the rules, I invariably bow to his suggestions.

On page 10 there is some reference to whether there was any understanding or agreement. The following questions were asked by Mr. Lieff:

Q. Is there any agreement or understanding between you and your husband to get this divorce?
A. None whatsoever.
Q. Do you know what the word connive means?
A. Yes.
Q. Have you connived at the adultery or schemed about it or planned it in any way?
A. No.
Q. Is there any chance of a reconciliation between you and your husband?
A. None whatsoever.
Q. If you had more time do you think you could rebuild this marriage?
A. No, we had plenty of time and I feel that we are both too mature to change.

Then there is reference to the child which you, Mr. Chairman, say is not relevant. Then we find the following questions:

Q. Have you forgiven him for the adultery which you complain about in the petition?
A. I have not.
Q. Do you know a—

And here is given the name of the co-respondent.

A. No.
Q. Were you with your husband on September 9, 1959?
A. No.
Q. Have you had marital relations with him since the separation?
A. No.
Q. How long did you know him before you were married?
A. One year.
Q. Was there any indication during that period that perhaps this marriage might not succeed?
A. No.

Then follows a question about the respondent's use of another name and Mr. Lieff

makes a motion, which is granted, that the petition be altered also to read accordingly. Then Mr. Daigneault is called as a witness. He is an investigator and Mr. Lieff poses questions to him. He identifies a photograph as being that of the respondent. Then the following questions are asked by Mr. Lieff:

Q. Did you investigate his behaviour?
A. I did, sir.
Q. Over what period of time?
A. Our services being retained by Mr. McKay of Montreal during the early part of August, 1959, at which time Mr. McKay furnished us with this photograph.

I assume that Mr. McKay is another barrister or solicitor in the city of Montreal and that Mr. Lieff is, in fact, what is known as an agent or working with Mr. McKay. Then we find the following:

Q. Exhibit 2?
A. That's right, sir, and also giving us certain instructions. I verified those particulars and found them to be true and as a result of the investigation, on September 9, 1959, accompanied by Mr. Paquette we proceeded to—

There is given here the address in Montreal and the apartment number. The answer continues as follows:

—where after ringing the bell a few times the door was answered by—

Here is given the name of the respondent.

—at which time he was wearing a maroon dressing gown, slippers, and bare legs.
I identified myself to him and we walked into the apartment and I told him why I was there,—

You will notice, Mr. Chairman, the ease with which this takes place. There is no question of asking whether they can go in. He says:

I identified myself and we walked into the apartment and I told him why I was there, and on the righthand side of the back of the apartment was a pulled-out studio couch in which the woman was lying on the far side near the wall. That woman answered to the name of Mrs.—

There is given here a surname which is the same as that of the respondent. The answer continues:

—when I went to the door previously. I went to the bed and asked her her name and she hesitated a few moments and then she answered—

Here is given the name of the corespondent. The answer continues:

I asked her her address and she said, "I am living here". We told both of them they would be hearing from his real wife's attorney in the near future, and we left afterwards.
Q. How was that woman clothed?
A. When I went to speak to her she was in a kind of sitting position and she was at least in the top part of pink pyjamas.
Q. How many beds in that room?
A. That was the only sleeping accommodation in the whole apartment.
Q. What was its condition?
A. The left-hand side seemed to have been previously occupied because there was an impression on the pillow.

[Mr. Howard.]

Q. Please look at the petitioner. Was she the woman you saw there on that occasion?
A. No sir, I never saw this woman there.
By Senator Bradley:
Q. This woman,—

Here is given the name of the corespondent.

—was in bed when you saw her?
A. Yes.
By Mr. Lieff:
Q. What hour was that?
A. Approximately midnight.

At this point I should like to mention one thing I noticed immediately which appeared to be at variance with the usual method of giving evidence in these cases. I refer to the fact that in the initial part of his evidence Mr. Daigneault makes no reference to the time at which they appeared at this particular apartment. It will be noticed that in other cases it is always 11.15 or 11.35 or 12.30 or whatever the actual time of the day it might be. In his initial evidence I think perhaps Mr. Daigneault, he being quite experienced in these matters, could have cleared that point up immediately unless, of course, he had lost his mimeographed slip from which these gentlemen give this stereotyped evidence. In any event, they finally got around to saying that this was the hour of approximately midnight.

Mr. McCleave: Would the hon. member permit a question on a point of information. Does he not realize that witnesses are not allowed to read from statements in the Senate? They can refer to notes.

Mr. Howard: Yes. Perhaps in this case they were mimeographed notes. All I say is, Mr. Daigneault is apparently quite a competent, able and thoroughly experienced investigator, and surely after this period of time has come to know his role full well and to give evidence in that fashion of times and everything else. It did seem a little odd why this was not done previously. Then the chairman, Senator Cameron, intervenes and asks:

Q. Did it seem like they had been living there?
A. I asked Mr.—"Are you living here with this woman?" And he said "Yes, I have been living here with this woman for the past month or so".
By Senator Bradley:
Q. She heard that?
A. Yes.
Q. And she made no objection to it?
A. No.

In this instance the circumstances are similar to those in the other case except that the common law arrangement here is tied down to a period, "for the past month or so".

Mr. Paquette then appeared as a witness. He was sworn and asked certain questions by Mr. Lieff about identification of the photograph.

Q. Did you make any inquiries about him at any time?

A. On September 9, 1959, I accompanied Mr. Daigneault to his apartment, apartment 4, at—Montreal.

Q. At what time of the day?

A. It was about five minutes before twelve when we arrived there. Mr. Daigneault rang the bell and Mr.—opened the door. We identified ourselves and we went into the apartment. Once we were in the apartment he showed him this picture.

Q. He showed whom?

A. Mr.—

Q. The picture, exhibit 2?

A. Yes, sir. He admitted it was his picture. So, due to the fact it was only a one and a half room apartment we noticed right away there was a woman in the studio couch.

By Senator Bradley:

Q. It was then a bed, was it? What you call a studio couch was then arranged as a bed?

A. A double bed, yes. So at that time Mr. Daigneault asked her who she was and she said her name was—

Giving the name of the corespondent.

By Mr. Lieff:

Q. How was she dressed?

A. She sat in the bed and she had on the top of, it could be, baby doll pyjamas.

Q. What was the condition of the bed?

A. The bed was disturbed. You could see it had been used by two persons.

Q. How was Mr.—dressed?

A. He had a dressing gown on and it was open and you could see his bare legs and a pair of slippers.

Q. How many beds in the room?

A. Just the one double bed.

Q. Please look at the petitioner. Was she the woman you saw there then?

A. No, sir.

Q. Was there any conversation other than what you have told us?

A. We told Mr.—the reason we were there and that Mrs.—was taking a divorce.

Q. Did you find out how long—had been living there?

A. No, I don't remember.

Here again, Mr. Chairman, we have an indication of a common law alliance, although just where you draw the line between a casual acquaintance and a situation which will result in them being able to say they are living together as man and wife, I do not know. In this instance Mr. Daigneault indicated that they had been living there together for the past month or so.

This may be an interesting point that the judiciary has ruled upon or developed some case law on, namely as to when a relationship between a man and a woman who are not married changes from that of being a casual one to one in which you can say a common law arrangement exists. I only raise this point because I think the courts and undoubtedly the committee of the other place as well as this committee here would give more weight to a petition for divorce where there was in fact a common law or man and wife living arrangement than they might to the question whether there was an actual opportunity for adultery to take place.

Perhaps I might refer briefly to other cases by way of comparison. There is the evidence given in other cases where hotels or motels are involved, where they go to some length to talk about the state of the clothing and the condition of the bed, and the time element—waiting till the lights go out and all that sort of thing—in order to show that reasonable opportunity existed for adultery to take place.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed on division.

BUSINESS OF THE HOUSE

Mr. McIlraith: I wonder if the house leader would indicate the business for next week, to the extent he is able to do so?

Mr. Churchill: Mr. Speaker, the business for next week will be the same as that announced last night, with the possibility of a change on Wednesday which I will report to the house on Monday night.

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:

ADMISSION OF REFUGEES—ONTARIO REPRESENTATIONS

Question No. 349—**Mr. Martin (Essex East):**

1. Has the government of Ontario requested the federal government to admit more refugees to Canada by paying transportation costs for such immigrants?

2. Has the government of Ontario offered to provide special assistance to help refugees establish themselves in Canada, provided the federal government will bring them to Canada?

3. If the federal government has received such representations what was the nature of the reply?

Answer by: **Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration):**

1. A statement was made in the Ontario legislature on April 12, 1960 by Hon. Leslie M. Frost, indicating that Ontario would, under certain conditions, make its normal welfare services available to privately sponsored refugees after six months' residence in the province instead of 12 months. These conditions included arrangements whereby the federal government would assume responsibility for the transportation and admission of these people to Canada.

2. See (1) above.

3. Correspondence has been exchanged between the Minister of Citizenship and Immigration and the minister of health for Ontario, and arrangements are being made for a meeting to discuss the details of the Ontario proposal later this month.

CO-OPERATIVE FISHING PROJECT, PORT BURWELL, N.W.T.

Question No. 365—**Mr. Hardie:**

1. What amount was spent by the Department of Northern Affairs and National Resources on all equipment, including nets, boats and freezing plant, for the co-operative fishing project at Port Burwell, N.W.T., and what is the estimated amount to be spent in 1960 on replacement and new equipment?

2. How many Eskimos took part in the co-operative fishery?

3. What was the total poundage of fish sold in 1959, to whom was it sold, and at what price per pound?

4. What price per pound was paid to Eskimo fishermen?

5. How were fish transported to market and what was cost per pound?

6. What amounts have been charged to this project to cover transportation of industrial and welfare division employees or representatives from Ottawa to Port Burwell, or to other points in Canada and the United States, to secure information on markets, handling of fish, etc.?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources):**

1. $22,094.29. Nothing is to be spent in 1960 on replacement and new equipment.

2. The equipment was taken into Port Burwell in 1959 but the fishing operation will not commence until the summer of 1960.

3. See answer to 2.

4. See answer to 2.

5. See answer to 2.

6. $659.80.

HOSPITAL INSURANCE AND DIAGNOSTIC SERVICES ACT

Question No. 376—**Mr. Martin (Timmins):**

1. What is the total cost of the hospital and diagnostic services subject to federal-provincial sharing under the Hospital Insurance and Diagnostic Services Act for the calendar year 1959 for each province?

2. What is the amount of the federal share of these costs, for each province for the calendar year 1959?

3. What amount of the federal share for each province is based on the national per capita cost of these services, and what amount is based on the provincial per capita cost in the calendar year 1959?

4. What is the estimated amount payable to each province out of the appropriation of $167,000,000 in the 1960-61 estimates for federal contributions under the Hospital Insurance and Diagnostic Services Act?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1. Final costs for 1959 will not be available until late in 1960 when final provincial returns based on the audited financial statements of hospitals for the year 1959 will be available. However, provincial payments to hospitals during 1959, upon which federal advance payments to the provinces were based, were as follows:—

Province	Provincial payments
Newfoundland	$ 7,282,411.52
*Prince Edward Island	306,319.16
Nova Scotia	14,117,345.83
**New Brunswick	5,749,332.71
Ontario	144,201,824.25
Manitoba	24,605,861.57
Saskatchewan	31,594,532.32
Alberta	30,593,985.92
British Columbia	42,486,579.69
	$300,938,192.97

*Participated only for last three months

**Participated only for last six months

In some instances these payments include items which are not shareable; in other instances there may be items which are shareable but which are not included in these figures. The total payment shown above for all participating provinces will probably be

slightly below the final costs which are subject to federal-provincial sharing. Also in the case of individual provinces it can be expected that there will be some variation with respect to the final shareable costs compared to the payments shown.

2. For the reasons indicated in answer 1 the amount of the federal share of the 1959 costs cannot be determined until late in 1960.

3. For the reasons indicated in answer 1 the amount of federal contribution to each province based on the national and provincial per capita costs for the year 1959 cannot be determined until late in 1960.

4. The $167 million is an estimate of federal contributions under the Hospital Insurance and Diagnostic Services Act and estimates for each province relating to this amount were not developed. In the fall of each year estimates of federal expenditures are made by the department for the ensuing fiscal year on the basis of general projections of expenditure trends. This has proven to be a more practical approach and to date it has resulted in reliable estimates of the overall costs. It might be helpful to point out that at the time this estimate is made the provincial authorities have not received individual budgets from hospitals indicating what their planned expenditures will be for the next calendar year. Also, the extent to which the scope of any of the provincial programs may be extended with respect to provisions such as chronic hospital care and out-patient services in the coming fiscal year is usually not known at that time.

Supply—Items Passed

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

DEPARTMENT OF AGRICULTURE

10. Agricultural Stabilization Act administration, $315,130.

11. Subsidies for cold storage warehouses under the Cold Storage Act, $62,667.

Dairy products division—

12. Operation and maintenance, $841,525.

13. Grants and other assistance in accordance with the Cheese and Cheese Factory Improvement Act, $1,203,316.

Fruit and vegetable division including maple products and honey—

14. Operation and maintenance, $1,721,850.

15. Assistance in construction of potato warehouses under terms and conditions approved by the governor in council, $25,000.

Health of animals division (including the former administration of Animal Contagious Diseases Act and Meat and Canned Foods Act, and the former animal pathology)—

16. Operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from packers requiring special services, $8,778,641.

17. Construction or acquisition of buildings, works, land and equipment, $343,540.

18. Compensation for animals slaughtered, $2,400,000.

19. Contributions to the provinces, in accordance with regulations of the governor in council, of amounts not exceeding one half of the amounts paid by the provinces to owners of animals that have died as a result of rabies since the first day of April, 1958, $18,538.

Livestock division—

20. Operation and maintenance including premiums on pure bred sires and contributions for livestock improvement; stockyard supervision and furs, $2,571,087.

21. Supervision of race track betting, $589,374.

22. Grants to agricultural fairs, exhibitions and museums in accordance with regulations of the governor in council; payments pursuant to agreements in force on March 31, 1960, with exhibitions covering the construction of buildings and other major undertakings; and a grant of $50,000 to the royal agricultural winter fair, Toronto, and freight assistance on livestock shipments for exhibition thereat, $929,600.

23. Special grant to royal agricultural winter fair, Toronto, $10,000.

HOUSE OF COMMONS

Monday, May 23, 1960

The house met at 2.30 p.m.

HER MAJESTY THE QUEEN

DECLARATION OF LOYALTY ON CELEBRATION OF BIRTHDAY

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this is the day officially appointed for the celebration of the birthday of Her Gracious Majesty the Queen of Canada, Elizabeth II. During the commonwealth prime ministers' conference I had the honour and pleasure of an audience with Her Majesty, and at that time she again impressed me with the warmth of her interest in Canada and the Canadian people. It is, therefore, a special pleasure for me to suggest that the house do reaffirm its loyalty and affection to Her Majesty.

With your permission, Mr. Speaker, I propose that after the Leader of the Opposition and any other hon. members who desire to participate join me in this tribute, we should stand and sing "God Save the Queen" as an expression of the feelings of her members of the House of Commons.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am happy to associate my party and myself with what the Prime Minister has just said. This is a day that gives us an opportunity to reaffirm our respect for the monarchy as an institution which has meant so much to our freedom and development, and our affection and admiration for the person of the monarch herself.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of this group I join the Prime Minister and the leader of the official opposition in the remarks that have been made by both hon. members with respect to our loyalty to Her Majesty and the great part she plays as Head of the commonwealth.

However I wish to make one suggestion. We would like the Prime Minister to give consideration to the House of Commons showing its delight with this occasion and other national holidays by arranging holidays next year for the members of the House of Commons and the staff. I think that would be most appropriate. I am not in favour of the present habit into which we have fallen.

Whereupon the members of the house rose and sang

God Save the Queen

BRIDGES

LASALLE, QUE.—AUTHORIZATION FOR CONSTRUCTION ACROSS ST. LAWRENCE RIVER

Hon. D. J. Walker (Minister of Public Works) moved the first reading of Bill No. S-32 (from the Senate), to authorize the construction and maintenance of a bridge across the St. Lawrence river at or near the town of LaSalle, in the province of Quebec.

Motion agreed to and bill read the first time.

MOTIONS FOR PAPERS

YACHT CLUB OR REPAIR SHOP, ST. JEAN, QUE.

Motion No. 108—**Mr. Caron (for Mr. Dupuis):**

For a copy of all telegrams, correspondence, leases or contracts, exchanged between or entered into by the Minister of Transport or his officers and the Solicitor General, the Goineau brothers, Robert and Bernard, or any other persons or associations, regarding the setting up of a boating club or a repair shop for yachts on the federal property situated on the south side of the Central Vermont railway line at St. Jean, Quebec, since June 10, 1959.

Hon. George H. Hees (Minister of Transport): There is no objection to the passing of this motion, with the usual reservation concerning the need to obtain permission of the province.

Mr. Speaker: Subject to the reservation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

REGISTRATIONS FOR EMPLOYMENT, ATLANTIC PROVINCES

Motion No. 109—**Mr. Robichaud:**

For a statement showing the total number of unplaced applicants registered at each of the national employment service offices in the four Atlantic provinces, as at April 30, 1960, or as at the nearest date to April 30, 1960, for which such figures are available.

Motion agreed to.

EMPLOYMENT, CLEANING WORK, ABITIBI-WEST COUNTY RIVERS, QUE.

Motion No. 110—**Mr. Dumas:**

For a copy of all payrolls showing the names of those employed, the period of employment and the amount paid to each person, during the year 1959, in connection with the cleaning out of the

following rivers: Kanasuta, Mouilleuse, Magusi and D'Alembert, flowing into lake Duparquet in the county of Abitibi West, Quebec.

Motion agreed to.

RURAL MAIL SERVICE, SOUTH BROOKFIELD, N.S.

Motion No. 111—**Mr. Robichaud:**

For a copy of all correspondence from June, 1957 to date, between the post office department and any person or organization regarding South Brookfield, Nova Scotia, rural mail route No. 1, proposed including the names of patrons of the post office involved who, since March 1, 1960, indicated their approval of the proposed service.

Motion agreed to.

EMPLOYMENT, RETAINING WALL CONSTRUCTION, ST. VALLIER, QUE.

Motion No. 112—**Mr. Caron (for Mr. Bourget):**

For a copy of all payrolls showing the names of the employees, the duration of their employment and the amount paid to each of them, in connection with the work done during 1959 on the construction of a retaining wall at St. Vallier, county of Bellechasse, Quebec.

Motion agreed to.

PUBLIC SERVICE

REPORTED FINGERPRINTING OF CIVIL SERVANTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Acting Secretary of State when he is going to make the statement on the alleged fingerprinting of civil servants which, according to the Minister of Public Works on Friday last, he was to have made today?

Hon. Leon Balcer (Acting Secretary of State): I regret to say that I will not be in a position to answer this question for a day or two, as I have not yet received all the information from the civil service commission.

FINANCE

SUGGESTED CHANGE IN NAME OF CANADIAN DOLLAR

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of Finance; but before so doing, if you will permit me, Mr. Speaker, as a freshman in the parliamentary class of 1945 along with the hon. gentleman, I want to extend to him this group's greetings and best wishes. I understand this is his 55th birthday. We wish him continued and abundant good health, but I want it distinctly understood that the wish does not apply to the body politic.

[Mr. Dumas.]

My question is this. In view of the fact that a Progressive Conservative candidate for the next federal election has stated that in Canada the dollar should be known as "the beaver" and that this change would benefit the tourist business, will the minister inform the house whether the government is giving consideration to such a change? If so, would this name be used as a symbol to represent the industry of the beaver or to represent a well-known historic face-saving device in the days of chivalry known as a beaver?

Hon. Donald M. Fleming (Minister of Finance): First, Mr. Speaker, may I thank the hon. member for his kindly remembrance, which I greatly appreciate. As to the question, may I say that the suggestion which appears to be its foundation is by no means new. It has been made in this house, as a matter of fact, more than once in the period that has passed since 1945, the date to which the hon. member referred; in practically every case, I think, by way of drawing attention to the fact that while the currencies of this country and the United States happen to have the same name, they are different currencies. Consequently there is no particular reason why it should be expected that they would be always quoted in terms of equal value.

So far as the government's intention is concerned, may I say that the government is giving thought to no such change as is proposed here.

I fancy that the reference in the final part of the question may have been lost on the younger members of the house, but having regard to the historic lore displayed by the hon. member in asking this question I think I should assure him that perhaps he and I could both profit by resort to the beaver as a head-saving and not merely a face-saving device.

HOUSE OF COMMONS

REQUEST FOR INCREASE IN PROTECTIVE STAFF

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I understand that it would be improper for me to direct a question to the Speaker of the house, so I shall ask the Minister of Public Works to come to my aid.

Last May I drew attention to the number of week-end visitors to the House of Commons. Believing that the desire of the house was to encourage tourists, I asked whether consideration might be given to extending the hour of closing and increasing the number of the protective staff. Yesterday I understand there were 8,696 visitors to the house

and that five members of the protective staff tried to take care of them. I should like to know whether the minister would give consideration to my request.

Hon. D. J. Walker (Minister of Public Works): I want to thank the hon. member for Trinity-Conception for asking the question. As an old parliamentarian he knows very well—although I can understand his asking me the question—that this is a matter within the sole purview of the Speaker. I am sure he will give the matter the attention which it deserves.

LABOUR CONDITIONS

ALGOMA—INQUIRY AS TO REPORT ON SALE OF STANROCK URANIUM CONTRACT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Trade and Commerce whether he has yet received a report from the board of directors, of Eldorado Mining and Refining Limited on the sale of the Stanrock uranium contract in Elliot Lake. If so, can he make any comment on that report?

Hon. Gordon Churchill (Minister of Trade and Commerce): No, Mr. Speaker; I am awaiting a report.

DEFENCE PRODUCTION

BOBCAT VEHICLE—STATEMENT ON STAGE OF DEVELOPMENT WORK

On the orders of the day:

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, on Friday last the hon. member for Port Arthur asked a question of the Minister of National Defence or myself as follows, as reported on page 4080 of *Hansard*:

> Has the development work on the Bobcat armoured vehicle reached the stage where serious consideration is being given to letting a contract for its production?

In reply to this question I wish to inform the hon. member that the Bobcat is at the last stage of development. We expect its development to be completed by early fall, and the government will then give serious consideration as to whether or not to go into production.

[*Later:*]

Hon. Paul Hellyer (Trinity): I would like to ask a supplementary question of the Minister of Defence Production. Can the minister say whether any of our NATO allies have agreed to purchase and use the Bobcat?

Mr. O'Hurley: Not as yet, Mr. Speaker.

FLOODS

FOLEYET, ONT.—STATEMENT ON REQUEST FOR ASSISTANCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, on Monday last and again on Wednesday the Leader of the Opposition asked me whether I had had any correspondence from the authorities at the village of Foleyet in connection with the flood disaster. Search made of my records up to Friday last indicates that no such message has been received.

CANADIAN BROADCASTING CORPORATION

ELLIOT LAKE—ALLEGED REFUSAL TO ACCEPT UNION PRESS INFORMATION

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 National Revenue in his role as liaison officer for the Canadian Broadcasting Corporation. My question is occasioned by charges of the united steel workers local 5662 of Elliot Lake that the Canadian Broadcasting Corporation has refused to accept press information from them critical of Rio Tinto and its move to a monopoly position on uranium contracts. Could the parliamentary secretary say whether this matter has been brought to the attention of the C.B.C. and what its reply may be?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, I have no knowledge of the matters stated by the hon. member. I will make inquiries of the C.B.C. and report to the house in due course.

AIRPORTS

SAULT STE. MARIE, ONT.—INQUIRY AS TO DATE OF COMPLETION

On the orders of the day:

Mr. G. E. Nixon (Algoma West): Might I ask a question of the Minister of Transport. Could the minister say when it is expected that the Sault Ste. Marie airport will be completed and ready for use? If he is unable to answer today the minister might give an answer at a later date.

Hon. George H. Hees (Minister of Transport): I will look into that question and let the hon. member know.

National Board on Economic Development

THE CENSUS

INQUIRY AS TO COMPLETION BEFORE NEXT ELECTION

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I would like to direct a question to the Prime Minister. In order to dispel persistent rumours which are circulating, can the Prime Minister give any assurance that the 1961 census will take place before the calling of the next federal election?

Mr. Speaker: Order. The hon. member might recall that the census is fixed by law, and that the other matter he raises is not the subject of questioning in parliament before the orders of the day.

SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of supply.

LACK OF GOVERNMENT LEADERSHIP—NATIONAL BOARD ON ECONOMIC DEVELOPMENT AND AUTOMATION

Hon. Paul Martin (Essex East): Mr. Speaker, last week the Prime Minister gave the house his interpretation of the critical events which were evolving at that time, more particularly out of the failure of the great powers to sit in at what is called a summit meeting in the hope, which was shared by all of us, that such a meeting might have brought about an easing in international tensions.

The statement made by the Prime Minister in which he gave his interpretation of these events was warmly supported by every member of this house. Indeed, on that occasion we witnessed a unanimity of opinion and support not witnessed in this house since the present government took over the reins of office.

One regrets that in respect of current matters of a domestic character it is not possible to find any manifestation of anything like that measure of support. Particularly in so far as our domestic problems affect the maintenance of a high and stable level of income, there is no solid agreement except among those who sit on the treasury benches, supported by those sitting behind the ministers of the crown.

It would seem that at this time of disquietude in our country it is becoming gradually and increasingly acknowledged in this house and in this country that through the present government there is a want of leadership which reflects itself in the character of our economic policies. I do not say there is no leadership, but the leadership does not come from the government of the day. The lack of leadership is demonstrated not only in the person of the right hon. gentleman who is the Queen's first minister, but it touches other departments of government. Certainly it touches the Department of Finance (Mr. Fleming) over which presides the present minister—an old friend, a classmate whom I am happy to congratulate today on his surprisingly young fifty fifth birthday.

It touches as well, of course, the Minister of Trade and Commerce (Mr. Churchill) and his department; it is not unrelated to the administration of national defence as reflected in the uncertain policy on defence that we have in this country. I cannot say that the demonstrations or the manifestations of lack of affinity in the case of the Solicitor General (Mr. Balcer) are as apparent as they are in some other departments, but I will say to the Solicitor General that there are occasions—those few occasions when he speaks in this house—when one is not altogether confident about the kind of leadership he himself gives to the very weighty department of government for which he has the responsibility of administration.

As to the Department of Transport there are, of course, indications there too. In agriculture, having in mind the depressed state which prevails in this very important section of the Canadian economy, and having in mind the changes in policy that have been pursued by the minister in respect of his administration, I suppose we would not find it very difficult to suggest that the kind of leadership which the Canadian farmer expects has not been coming from him.

My hon. friend the Minister of Public Works (Mr. Walker), who is a new minister and also an old friend, will not mind my saying about him and his administration that the unsatisfactory state of the government's housing policy is not such as to warrant any real feeling of confidence on the part of the Canadian people. I have already indicated on other occasions to my hon. friend the Minister of Labour (Mr. Starr) that the growing problem of unemployment in Canada is not such as to warrant a comfortable feeling, in so far as his department is concerned, or that the situation has been handled in accordance with commitments made by the administration. In his case I recognize at once, however, that the responsibility is so great that in all fairness it should be shared by the government as a whole.

Nevertheless it cannot be questioned that in respect of economic matters in this country, matters affecting our trade with other countries, the increasing level of imports, the growing problem of unemployment or the high level of unemployment, and the present state of the national income, the one single voice giving leadership in this country at the present time is not that of the government of the day but that of the governor of the Bank of Canada. That, in a democracy such as our own, is a serious reflection on the efficiency of the government.

The governor of the Bank of Canada has not been afraid to assess economic realities, actual and potential, as he sees them. He has regarded this assessment as part of his function. But his assessment has been accompanied by a tempered optimism as to the capacity of our people to meet the problems which now exist and those which lie ahead. In a memorable speech on May 12, at Hamilton, the governor of the Bank of Canada said, in the opening part of his statement:

> I shall probably not make myself popular by remarking that all is not gold that glitters. It is not a pleasant task to talk about economic problems rather than successes, about difficulties and dangers rather than achievements and enjoyments, yet I suppose that at times this must be the function and the duty of a central banker. If we do not see the dangers and pay heed to them, we shall never reach the goal that shines so invitingly.

I am sure that no one knowing the responsibility of the Bank of Canada to parliament will fail to appreciate the honesty of this kind of approach to our problems. It will be charged, undoubtedly, that those in the opposition are guilty of preaching gloom throughout the country; that we are harbingers of doom and gloom—

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): Hon. gentlemen say hear, hear. All I can say is that we are in good company; we are in the company of the governor of the Bank of Canada.

Mr. Fleming (Eglinton): No, you are not.

Mr. Martin (Essex East): If the government of the day feels that the governor of the Bank of Canada is not expressing its views, there are constitutional processes to which the government of the day can easily resort to remove any inconsistency in the administration of the Bank of Canada, or remove from any responsible office in that important institution, responsible to this parliament, those who express views on which the government of the day does not rely or in which it does not believe.

But the governor of the Bank of Canada is not alone in this position. He is supported by important public officials in the public service of Canada who serve this government and who serve the people; and I suggest that while the governor of the Bank of Canada was undertaking a series of important speeches in different parts of Canada, almost at the same time the Minister of Finance was making speeches in Vancouver and in Winnipeg. The difference in the tone and in the direction of those two speeches indicates that the Minister of Finance certainly does not fully share the point of view expressed by the governor of the Bank of Canada in the speech made on May 12 in Hamilton. If he does, he will have an opportunity to say so. Certainly the speeches made by him in this house in answer to that made by the Leader of the Opposition (Mr. Pearson) during the budget debate, the speeches made by the Minister of Finance in the two cities to which I made reference a moment ago, do not support the view that he shares the concerns and the solutions of the governor of the Bank of Canada.

Therefore no one in the opposition can be said to have met his responsibility if in assessing our problems he does not make the same straightforward, courageous assessment, also providing at the same time his proposals as to what may be the remedies.

We will not correct the dangers which seem to be lurking ahead unless we know what those dangers are, and unless we are prepared to take courageous steps to meet them.

Our objective in this country must be to maintain a high and stable level of income, and to provide jobs for our people. No other objective will be worthy of our society. That is the objective as stated by the governor of the Bank of Canada. At pages 15 and 16 of the text of his speech, released by him, he said:

> We can have economic growth without inflation, full employment without inflation, a rising standard of living without inflation, increased social services in various forms of government services without inflation, and a balance in our international accounts without inflation—and without unemployment. All this is within our own power to achieve.

That ought to be, if it is not, the objective of the government of this country. The government will find that the difficult situation which confronts us is actually a situation which well-known, knowledgeable individuals, who by training are in a position to comment on these matters, have indicated may confront us. The precedent to which I direct the attention of the government will be found in the white paper issued by the government of Canada prior to the end of the second world war, when the great concern was what kind of transition would be made from war to peace. It was suggested, and by many members in the house at that time, that once the

war was over there would be a drop in the national income and we would see a repetition of the unemployment of the dark 1930's.

We know that after the war Canada enjoyed the most prosperous period in her history, with more men in the working force, more employment, a higher national income both in terms of the nation and of the individual citizen, than ever before; all during the period when our growing prestige among the nations of the world was widely recognized.

How was that achieved? It was achieved because the government of the day recognized that there were dangers ahead; that with the cessation of war there would be problems that would touch every department of government, as well as the citizens of this country. I examined the situation in anticipation, and it stated its objectives in the white paper, a copy of which I now have in my hand. This white paper is something for the government to look at now, in the face of the economic problems that confront Canada. In the fourth paragraph of that statement the government said:

> The central task of reconstruction, in the interest of the armed services and civilians alike, must be to accomplish a smooth, orderly transition from the economic conditions of war to those of peace and to maintain a high and stable level of employment and income. The government adopts this as a primary object of policy.

Have we heard from this government since the last election any declaration of an objective in these bold terms? The government went on to point out in this white paper:

> This goal cannot be achieved by legislation alone, nor by a single device or plan. In this, it is like the wartime stabilization program. Its attainment will require the effective working of a number of compatible policies, all directed to the same end, and each contributing to the success of the others.

Then at page 3 of this white paper will be found the plans which the government was going to follow to channel manpower and resources after the war was over in directions that would contribute to the economic enhancement of this nation and its people. Those purposes were carefully followed and the consequence was that the government, in co-operation with the people of Canada, was able to build up a high standard of living at the end of the most cataclysmic experience in the history of mankind instead of allowing to happen what followed in this and other countries at the conclusion of the first world war. The government said in the summary of its conclusions:

> In this paper, the government has stated unequivocally its adoption of a high and stable level of employment and income, and thereby higher standards of living, as a major aim of government policy. It has been made clear that, if it is to be achieved, the endeavour to achieve it must pervade all government economic policy. It must be wholeheartedly accepted by all economic groups and organizations as a great national objective, transcending in importance all section and group interests.

That statement is not unlike the words of the governor of the Bank of Canada, who enlisted the direction of the senior government and the other levels of government in co-operation with all groups in the nation in trying to meet the current economic problem and to arrest or deal with other economic dangers which he said lie ahead in the next ensuing period for this country. Have we had from this administration that kind of approach? We have not had from the Minister of Finance, from the Prime Minister or from any of their colleagues any indication that they look upon the problem as requiring this bold approach.

It cannot be because the government has not been advised by its own servants, perhaps the foremost among whom, next to the governor of the Bank of Canada, is Dr. Firestone, who confronted the government last October with an important statement in which he said, looking ahead to the immediate future:

> —we can see a fair rate of increase in economic activity for 1960 and possibly 1961 . . . If anything, the problems that we may be encountering as we go into 1962 may be more difficult to deal with than those we encountered in the post-war period. What I am implying is that the recession we may be facing in 1962 could be more extensive than anything we have yet experienced since the end of world war II—

It is true that the prognostication of this distinguished public servant does not, in so far as timing is concerned, harmonize with the observations made by the governor of the Bank of Canada or by certain other economic authorities in the country. But that was last October. There has been an acceleration of events noted by economic specialists which undoubtedly would warrant Dr. Firestone in timing his prognosis in accordance with events as they now confront us, and as seemingly they begin now to indicate an earlier arrival than was formerly the case.

But we do not only have the observations of those to whom I have already made reference. We have the observations of General Research Associates, directed by a gentleman who was at one time in the government service occupying a very important assistant post in the prosecution of economic studies involving forecasts and suggested remedies. I refer to such statements made in January of 1960, March of 1960 and April, 1960 all in the same vein. I now have before me the latest monthly business forecast of General Research Associates, whose references in the months of January, March and

April I have already alluded to. In the first paragraph on page 2 of this report there is this observation:

> The leading business indicators as a group continue to reveal recession tendencies. Industrial common stock prices have moved seasonally and irregularly for the past four months, an indication of continued uncertainty.

Then in the fifth paragraph this is noted:

> The pattern of the leaders as a group is one which precedes by no more than a few months significant declines in production, employment and other central measures of over-all Canadian business activity.

If this particular organization, General Research Associates, is to be given the respect and attention which it receives from most students of this situation, we have a right to ask the government whether it agrees with these danger signals it has pointed out, or whether the government has a different position. We have the right to ask, will the government tell us what its own private confidential reports indicate. Some of these reports the government has not hesitated to make public. One that was always regarded as confidential was trotted out on the floor of the house by the Prime Minister in 1958. It would be interesting to know from the Minister of Trade and Commerce what that so-called secret report indicates. What does the "Economic Outlook for 1960" indicate? Does it confirm the judgment of the governor of the Bank of Canada? Does it confirm the view of the gentlemen associated with General Research Associates?

Mr. Fleming (Eglinton): Mr. Speaker, I am rising on a point of order. This is a motion to resolve the house into committee of supply. On such a motion it is open to any hon. member, of course, to rise to air a grievance; and if he has, as the hon. member for Essex East has, the opportunity of leading the debate, to introduce an amendment to express his view with respect to the grievance. But there must be a grievance. Otherwise, in my submission the type of discussion that is evidently being embarked upon is, it seems to me, quite apart from the course that is required by the rules in such situations.

What we have had so far has just been a repetition of the kind of speeches that were made by the hon. member and the Leader of the Opposition in the budget debate. Apparently we are just having a repetition of such speeches on this occasion. With great respect, Mr. Speaker, that is quite out of order at this stage of the session. All these matters that have been mentioned so far were raised in speeches made in the budget debate. If the hon. member says this is just his introduction to his grievance, then with respect he has gone the long way around. Surely the proper course on an occasion such as this, particularly in the case of the first speaker, is to air his grievance and then, if he wishes, introduce his amendment; but he must air the grievance and not embark upon a general broadside touching everything in the whole realm of politics and economics on which he thinks he can lay his tongue when these matters have all been discussed in the budget debate. We had precisely this speech in the budget debate, and in my respectful submission it is quite out of order now to attempt a repetition of it.

Mr. Martin (Essex East): On the point of order, it is apparent how justified I have been in saying that the government did not fully appreciate the situation. This is clear from the remarks of the minister. The procedure that is open to the house now is one to which I will address myself, with the permission of the Minister of Finance, in my own time and in a form and manner that will meet the procedural requirements open to hon. members in this particular kind of debate. If my hon. friend is not now beginning to detect the grievance I have in my mind, as have so many other people in this country, the fault does not rest with me. I shall be moving a motion at the appropriate time, Mr. Speaker, and I would suggest to you it is apparent that the point of order raised by the minister is without validity.

Mr. Speaker: I do not think I can intervene at this stage. The hon. member who has the floor is speaking in general terms and fairly broadly, but I assume he is coming to a conclusion. I think, until it has been disclosed, it is rather difficult to indicate that he is not relevant. As the Minister of Finance has said, there has been a good deal of repetition.

Mr. Martin (Essex East): There is nothing in our rules that would suggest that some repetition, in a debate of this kind, is not in order. I have already indicated where the points previously made have been stated. I have indicated the new material, including a speech by the governor of the Bank of Canada, in the monthly business forecast, and other statements to which I am going to refer. I would suggest to you, with confidence and with respect, that in this particular kind of debate one is not precluded—

Mr. Speaker: I have not accepted the point of order, so the hon. member need not continue.

Mr. Martin (Essex East): What is important is whether or not one is traversing a decision which has already been taken by the house.

National Board on Economic Development

I was referring to the conclusion of the General Research Associates, and there is to be found in the June 4 issue of *Maclean's* magazine a further elaboration of this position by Mr. Beckett, the director of the monthly business forecast. He was asked certain questions in that issue of *Maclean's* magazine. I will not deal with all the questions, but I will deal with those that have relevancy to the point I have been making. Mr. Beckett was asked:

> Will the next recession be the worst since the thirties?

His answer was:

> I would say yes. Definitely.

Then he went on to point out that this is the result of having too rapid an expansion of capital goods for too long, over a period of 10 years. Then when he was asked about unemployment in terms of this particular situation he said:

> I foresee it reaching 1.5 million.

This statement was not made during the budget debate but appeared in written form in *Maclean's* magazine, the issue of June 4. Further questions were proposed, and he said this about the situation:

> It could be softened by a vast increase in government spending at all levels—including city redevelopment, new schools, highways, hospitals and houses.

The minister, or whoever replies for the government, will, I trust, address himself to this particular question and answer this distinguished economist. Are these facts correct? Does the government support the positions taken by these gentlemen? Does the government agree with the conclusion reached in the last issue of the bulletin put out by the congress of labour which says, on page 7:

> Unless we run into some quite extraordinary good fortune or unless the government adopts some drastically new policies, we shall still this summer and fall have unemployment much heavier than in most post-war years, very much heavier than in the best post-war years.

Are these indications from these various sources true? What does the confidential document, which when I was in the Department of Labour was presented to the minister twice a year, indicate as to the possibility of improving the present unemployment picture this summer? What are the prognostications for next fall and next winter? Are these not matters to which this house should be prepared to give its full attention? Are these matters not questions to which we have a right to ask the government to give us clear answers? Can there be any doubt as to the situation that confronts us in terms of the maintenance of a high and stable level of income? Is the situation not reflected in the general economic conditions that prevail in the country, in the very high level of unemployment that continues to persist?

When we look at the current economic conditions, is it possible for anyone not to be concerned? There are still, of course, elements of strength. Our exports reveal that to be the case. These have been maintained at a high level during the first quarter of 1960, and we hope this trend will be maintained. But will they be maintained in the face of the new trading relations in Europe and the lack of a dynamic trade policy in Canada?

What about the agricultural sector of our economy? It is going through, admittedly, a new and difficult period. We note that in 1959 farm net income declined by more than 7 per cent, according to the Department of Agriculture. It will show a further reduction in 1960. Retail sales, which are considered to be a very good indicator of the rate of economic activity, have not shown any material increase in the first quarter of 1960 as compared with the first quarter of 1959. The dominion bureau of statistics daily bulletin, issue of May 20, indicates that these sales have increased by about $8 million in the first quarter of this year as compared with last year, which in percentage terms is less than three tenths of one per cent.

Another sign of economic inactivity or of serious weakness in the economy is to be found in the field of housing. According to the dominion bureau of statistics, starts in construction of new residential units in the first quarter fell to 11,118 from 16,365 a year earlier. This represents a decline of 35 per cent. The impact of this decline is not limited to the construction industry. It is felt in industries supplying construction materials, and in numerous other industries producing durable consumer goods like furniture and electronic appliances. Moreover, the bureau of statistics, in its weekly bulletin of Friday, May 13, 1960 points out that the output of motor vehicles declined to 42,000 from 44,659 in the same month last year.

Another significant indicator of activity is Canada's railway systems. Here again there are elements of weakness portrayed. According to this bulletin, cars of railway revenue freight loaded on lines in Canada in the last days of April numbered 90,056 compared to 99,598 for a like period last year, bringing the month's total to 281,378 cars as compared with 307,745.

Then, of course, the serious weakness in our economy is reflected in the statistics on unemployment in this country. Normally we would have had, last Wednesday or Thursday, a further statistical report on the number of applicants for jobs, on the number of

persons without jobs and seeking work, and that would have been supplemented by the figure given the other day to the hon. member for Gloucester (Mr. Robichaud) as to the number of persons actually in receipt of unemployment insurance as of the last available date.

Mr. Fleming (Eglinton): I rise again on a point of order, Mr. Speaker. It is, in essence, the same point of order I raised a moment ago. I think it must be clear now, Mr. Speaker, what is the purpose the hon. gentleman is seeking to serve by his speech. First, may I recall the true rule with respect to the raising of grievances on a motion to resolve the house into committee of supply. I refer to citation 234 of Beauchesne's fourth edition, at the bottom of page 198 and running over to the top of page 199:

> When such motion is proposed, it shall be permissible to discuss any public matter within the powers of the federal parliament or to ask for the redress of any grievance;

May I draw to your attention the fact that the expression used is "public matter", not "matters" in the plural; it is the redress of "any grievance" not "grievances", in the one motion. We have a strict rule of debate, namely that when the debate has been launched on a particular grievance the course of debate cannot be diverted to another grievance, thus emphasizing the strict necessity of confining speeches on such matters to a particular grievance or a particular public matter.

But that is not at all the line which the hon. gentleman has been following. At point after point in his remarks this afternoon he has been touching upon matters which have already been debated in this house at the present session and on which debate has been concluded by a resolution of the house. He has mentioned housing. We have had a housing debate on a resolution, where this matter has been concluded. We have had discussions on unemployment and we have had motions on unemployment. The hon. gentleman is talking about unemployment. Let me go back to the debate on the speech from the throne and show what ground the hon. gentleman is now recovering in this shotgun approach of his today. On January 18, as reported at page 64 of *Hansard*, we find an amendment moved by the Leader of the Opposition as follows:

> This house is of the opinion that the failure of the government to develop and enunciate clear and consistent policies or to provide full and accurate information, is a major cause of the confusion and uncertainty that prevails about national defence, public finance, agriculture, markets, employment and in other important areas of governmental responsibility.

National Board on Economic Development

Again in the budget debate, as reported at page 2873 of *Hansard*, the first amendment introduced on April 4 was as follows:

> This house regrets that the financial policies of the government will produce a fourth consecutive over-all deficit in a year of "so-called prosperity", while at the same time offering no solution to the problem of rising prices, rising trade deficits, a continued high premium on the Canadian dollar, increased pressure on provinces and municipalities to borrow outside Canada, declining farm income, and high and rising unemployment.

You will recall, Mr. Speaker, that objection was taken to the breadth of that amendment, in view of the broad and inclusive terms of the amendment to the motion for the address in reply to the speech from the throne on January 18. You permitted an amendment which reduced the number of references but left in those pertaining to high and rising unemployment. We had a similar subamendment on April 4, as found at page 2878 of *Hansard*.

It is quite obvious that the hon. member is conducting an abuse of the rules of the house by just making a shotgun speech in which he is touching on matter after matter which has already been concluded by a decision of the house at the present session, and is evading the point that has been raised head-on by refusing to state his particular grievance.

With great respect, Mr. Speaker, I say this is a highly irregular procedure. In introducing an amendment or speaking to a grievance on a motion to resolve the house into committee of supply it is not open to an hon. member to scatter his shots over a great many subjects. Under the rules he is required to confine himself to a subject or a grievance. He is up against two rules. I say with respect, Mr. Speaker, that he has broken both of them. First of all, he has been trespassing very much on matters that have already been decided by the house at the present session, and in the second place he has not been discussing a matter or a grievance as required by the rules.

Hon. L. B. Pearson (Leader of the Opposition): May I say a word on the point of order, Mr. Speaker? It seems to me that the hon. gentleman's position has no foundation or validity. In effect it would mean this. If we on this side wished to move a motion which would, for instance, recommend that some governmental machinery should be set up to deal with economic problems and condemn the government for not having taken this action previously, according to my hon. friend's contention we would not be able to discuss the necessity for that machinery in terms of the general economic situation in the country.

National Board on Economic Development

My hon. friend suggested that because we mentioned employment and unemployment in the debate on the speech from the throne, we are prevented from using unemployment or employment as an argument for advising the government to take a particular course of action which deals with this problem; and that is what the hon. member for Essex East is trying to do at the present time.

Mr. Speaker: I am considering how far the grievance procedure proper is applicable to the amendment which is customary on a motion for supply, that is to say whether the amendment must relate specifically to one grievance and be limited in its scope in that way. It certainly has not been the practice of the house, in dealing with amendments on motions for supply, to limit them as strictly as is done when grievances are discussed with no amendment before the house. Then one grievance at a time is aired and spoken to before another one is brought forward. But that does not preclude a particular grievance from being discussed on a motion to go into supply.

Whether what the Minister of Finance says about the application of that principle to the amendment itself and the discretion which precedes the amendment is correct is something about which I am not clear. I can contemplate an amendment that might be moved by the hon. member who has the floor which would require as a background something of the kind he has been laying. I am not sure that the subject should be approached differently. It is quite true—and this was my feeling before the Minister of Finance raised the point—that it seemed that we were hearing a debate which would have been entirely relevant and proper on the first amendment moved by the Leader of the Opposition this year, namely the amendment on the throne speech, because the hon. member's remarks were along the line of that fairly wide amendment and were directly relevant to it.

However, I do not feel that I could tell the hon. member how to make his speech at this stage. He knows that it is not in order to redebate matters which have been closed. With that admonition I think I can just allow the matter to proceed and leave it to hon. members to rise on any specific item which they feel is improperly introduced into the discussion.

Mr. Martin (Essex East): Thank you, Mr. Speaker. When we come to deal with my proposed amendment my hon. friend may address himself to the citation, which I will be prepared to meet. However, it is quite obvious that he is not so much concerned about my shotput approach as he is about the shot that will come forward in the form of the amendment.

Mr. Fleming (Eglinton): Why not use a rifle instead of a shotgun?

Mr. Martin (Essex East): My hon. friend is known to have the capacity of raising all kinds of procedural questions in every matter which seemingly has to do with—

Mr. Speaker: Order. May I remind the hon. member again that I have disposed of the question of order.

Mr. Martin (Essex East): I also thought we had done so, Mr. Speaker, but I was just commenting that the Minister of Finance, on his birthday at least, ought to learn from time-honoured practice that the way to facilitate matters is not continually to obstruct. In any event, the Minister of Finance may find by the time he is confronted with the amendment that it is one that does not necessarily concern him. I am not suggesting that is the case, but I am anxious to have the hon. member in the house while I speak, even though the matter may perhaps be of concern to some of his colleagues as well or possibly to them exclusively. This mystery which I seek to create is designed only to have the Minister of Finance in the same room with me for as long as possible on the occasion of his birthday anniversary.

I was saying that normally we would have had the unemployment statistics for the last available month given to us last Wednesday or Thursday. I asked the Minister of Labour why they were not available and he said there were occasions—and this is a fact—when the statistics were not produced with the regularity which generally attends their release. In any event, whatever those figures are shown to be, we do know on the basis of the last figures that unemployment in Canada continues at a very high level. We also know that if regional indications are any barometer, if there is any improvement that improvement is not to be found generally throughout the country.

In the Moncton *Times* of May 17, 1960 at page 14 I find these figures. I presume the editor got his information by calling the local regional office. The number of live claims reported in that area for April 30, 1960 was 714,000, as compared with 610,000 on April 30, 1959. That represents an increase of 104,000 or 17 per cent. The number of unplaced applicants as of April 30 was given as 756,432 as compared with 661,000 as of April 30, 1959. That represents an increase of 95,000 or 15 per cent. If that is any indication, then whatever figures may be released later this week, or later still, will be an

indication that the situation continues to be serious. The fact is that the number of unplaced applicants in April, 1960 was higher than the number in April, 1958, which was considered to be the peak of the recession.

In the face of what the governor of the Bank of Canada has said about unemployment, I will show that the government is derelict in its duty in not coming forward, without invitation and without prodding, to give us a clear statement of the facts and of the policies which it proposes vigorously to pursue in order to meet this situation. The Leader of the Opposition stated some time ago that the causes of unemployment were not by any means one in number, that there were many causes of unemployment. Likewise I might say that there are many kinds of solutions which are available, some of them pointed out by the governor of the Bank of Canada.

Mr. Speaker: Order. I think the hon. member is now coming within the purview of what has been objected to. He is dealing with solutions to the problem of unemployment. I understood from him originally that he intended to direct himself to some criticism of the government for not dealing with the economic situation generally, which criticism he proposed to demonstrate by reference to various factors in the economy. However, it is not in order for him to go into detail on these various matters. If he is laying a background for a specific amendment—and perhaps he will indicate whether that is his intention—then any reference to matters already dealt with by the house should be only in the remotest way and not be a redebate of a resolution which has been before the house.

Mr. Pearson: Mr. Speaker, with great respect to the points you have raised, if my hon. friend were prevented from dealing with the question of unemployment at this stage in order to found an argument as to why something should be done by the government with respect to the economic problems of this country, including unemployment, might I point out that in the session of 1955 this particular matter of unemployment was incorporated as a subject—not as part of a general debate but as a special subject—into three separate opposition amendments. One amendment was on the address, moved by the hon. member for Dufferin-Simcoe (Mr. Rowe), calling specific attention to the government's failure to recommend necessary measures to solve the urgent problem of unemployment. Then there was a later amendment on a supply motion moved by the present Minister of Citizenship and Immigration (Mrs. Fairclough) which dealt specifically with the question of unemployment and condemned the government for not taking the necessary action. That amendment is recorded on page 358 of the House of Commons *Journals* for 1955.

Subsequent to that, Mr. Speaker, an amendment to the budget was moved by the present hon. member for Greenwood (Mr. Macdonnell) and seconded by the Minister of Finance (Mr. Fleming), also condemning the government because in its budget proposals it had failed to meet various problems, the first failure which was itemized was a failure to give effective stimulus to Canadian enterprise in order to create employment.

Mr. Speaker, it seems to me that with that precedent the fact that we have discussed unemployment once, twice or three times in a general way should not preclude the hon. member from mentioning unemployment on this occasion as a prelude to a motion to condemn the government for not taking certain action.

Mr. Speaker: I am not sure whether the hon. member who has the floor is prepared to indicate what will be the subject of his amendment. It might facilitate settlement of this matter if he were able to do so.

Mr. Martin (Essex East): Mr. Speaker, I would be happy to comply with your request but I feel that before indicating the character of my amendment I should be allowed the widest latitude within the rules to lay the foundations for the proposal I have to make. The proposal which I have to offer does not in itself provide for a solution to the problem of unemployment; but under the rules of this house I am not precluded from mentioning, as a basis for what I have in mind, what I regard to be the kind of measures to which in this matter, and in other matters which I have in mind, the government might give consideration.

It is clear that the only precluding factor under our rules in a debate of this kind where members are privileged to raise, not only grievances but under citation 234 to discuss any public matter, is only if that matter has already been the subject of decision in this house during the present session of parliament. The amendment which I will propose does not touch on any matter which has been decided in this house. Only to that extent would I under our rules be precluded from carrying on the argument which I believe, in the national interest, I am entitled to carry on at this time.

National Board on Economic Development

Mr. Fleming (Eglinton): Mr. Speaker, may I say a word on the point of order. Page 198 of Beauchesne's fourth edition makes this point very clear. Let me go back and read the sentence I read earlier:

> When such motion is proposed, it shall be permissible to discuss any public matter within the powers of the federal parliament or to ask for the redress of any grievance; provided that the discussion—

Note, the "discussion", not just the amendment.

> —shall not relate to any decision of the house during the current session, nor to any item of the estimates, nor to any resolution to be proposed to the committee of ways and means, nor to any matter placed on or whereof notice has been given in the order paper.
>
> The debate in such a case is limited by the rules respecting past decisions—

And so on. Now, Mr. Speaker, if due weight is given to that sound and recognized rule, it surely is clear that the discussion on this motion must not relate to any decision of the house made during the current session.

What does the Leader of the Opposition argue here? He says that in 1955 the word "unemployment" was mentioned in the amendment to the address in reply to the speech from the throne; that it was mentioned later on a supply motion, and that the word "employment" was mentioned in the amendment to the motion to resolve the house into committee of ways and means.

Mr. Speaker, if I remember correctly—and of course I have not the books here before me—it was when that second motion was introduced, the amendment to the supply motion, that Mr. Speaker Beaudoin raised the point as to whether the amendment was not so broad as to trespass upon a decision taken by the house on the original amendment to the motion for the address in reply to the speech from the throne. I think that was the year and the occasion. As I say, I have not the books in front of me, but I well remember the Speaker of that day raising that point and expressing some doubt, and saying that thereafter he intended to be more strict with regard to amendments involving the use of words which might have been included in other amendments during the same session.

As far as previous cases of amendments being introduced in the same session are concerned, without having before me the full text of the amendments to which the Leader of the Opposition has referred may I say that what was justified there was on the basis that the amendment to the budget asked the house to pass censure on the government for failing to take certain specific measures in the budget to create employment. Obviously it was thought at that time that there was a difference there.

However, Mr. Speaker, the rule is here. It is stated in the plainest terms in Beauchesne and it has the whole sanction of history behind it.

I would just remind you, Mr. Speaker, of the language of the amendment introduced by hon. members opposite on April 4 in the budget debate, when they asked the house to express regret that the policies of the government had produced a number of results among which they included high and rising unemployment. The house declared itself on that amendment and disposed of it in due course.

Mr. Pearson: The hon. gentleman is a year older today, and that perhaps explains the fact that his memory has played him false. The occasion when the Speaker himself raised the question of the propriety of a resolution on unemployment was the third time, not the second time, this matter was raised in the house. On the second occasion it was on a supply motion. There was no question raised on the government side or by the Speaker as to the propriety of that motion, or as to whether it was in order. It was accepted, I understand, without any question being raised as to its propriety even though the subject of unemployment had been mentioned in the amendment to the address. It was on the third occasion that the Speaker himself raised the question of whether a third motion on unemployment—after two specific questions of this kind had been discussed and decided—was in order. He said that he had some doubts on the matter, but nevertheless he would let the motion stand.

Mr. Speaker: I have regarded the speech which the hon. member for Essex East has been making as one which intended to raise a question relating to the general state of the economy. On that ground he was advancing the various indices and indicators which would support his view as to the state of the economy. In these circumstances I do not think I could limit the hon. member, on the basis that he is coming to an amendment which deals with that subject and which he presumably considers he can make having regard to previous amendments which have been introduced.

However, when I intervened a minute ago it seemed to me he was then endeavouring to debate unemployment as a question in itself rather than referring to it as an indicator of the state of the economy—suggesting solutions, and so forth—which to my mind would be wrong because of the

decision of the house on the budget amendment. The hon. member's use of these indicators of the economy should be by way of illustration and not as debates within a debate, and I do find some authority to support the view which the Minister of Finance has taken.

In the same year that has been mentioned, 1955, at page 3790 of *Hansard*, when the motion to go into committee of supply was moved, the Speaker expressed concern in these terms:

> What I am concerned about is that we should not deviate from what has been the practice with respect to the raising of grievances. It must be a specific grievance. According to the remarks the hon. member for Prince Albert has just made in explanation of what he intends to bring forward, he wants to deal with markets generally and the loss of markets for farm products and then, although he has already dealt with wheat, he wants to deal with the south Saskatchewan dam. He has just indicated he wants to deal with that point because that is the point to which the editorial in the Regina *Leader-Post* has reference. Furthermore, he wants to deal with the low incomes with which the farmers are now being faced. Maybe the hon. member is going to conclude his remarks with an amendment to the motion to go into supply. That would certainly specify the grievance he has in mind.
>
> If he is not going to terminate his remarks with such an amendment, then I am afraid I must say he can always deal with these various other subjects when other motions to go into supply are presented. At this moment, however, it would not be proper to initiate another budget debate, and it is certainly contrary to our practice not to have a specific grievance raised at this point.

That was the decision in a similar situation. I have not complained about the hon. member developing an argument about the state of the economy, but I think he should have regard to the fact that it should lead to and relate to a specific matter.

Mr. Martin (Essex East): I thank Your Honour for the care you have given to the consideration of this matter, and I am sure you appreciate the position which I take, the position which has been so well stated by my leader. This is one of the time-honoured traditions of parliament; an occasion on which, under our practice and according to our traditions, a motion of this sort is open to the widest form of debate providing it does not touch on any previous decision of this house. I assure Your Honour that what I am going to say—and I regret that the Minister of Finance has found it necessary to interrupt me on two occasions; however, that is his privilege—will not transgress that rule. As Beauchesne points out in citation 234:

> The ancient doctrine that the redress of grievances shall be considered before the grant of supplies is maintained in the House of Commons of Canada—

And it is an ancient doctrine, the most treasured right of this parliament. The words of Beauchesne are:

> Whenever an order of the day has been read for the house to resolve itself into the committee of supply or the committee of ways and means, the motion "that the Speaker do now leave the chair" must be proposed, except on Wednesdays, Thursdays and Fridays as provided by standing orders 56 and 58. When such motion is proposed, it shall be permissible to discuss any public matter—

I am now discussing a very important public matter.

> —within the powers of the federal parliament—

This matter, and these matters, are within the powers of the federal parliament.

Mr. Fleming (Eglinton): "These matters"; that is it.

Mr. Martin (Essex East): It goes on:

> —or to ask for the redress of any grievance—

It is not that I must express a grievance. There is an alternative. I can express a grievance or discuss any public matter within the powers of the federal parliament.

> —provided that the discussion shall not relate to any decision of the house during the current session—

I can give you my assurance that what I have in mind by way of an amendment does not relate to any decision of the house during the current session, nor to any item of the estimates. In the words of Beauchesne, again:

> —nor to any resolution to be proposed to the committee of ways and means, nor to any matter placed on or whereof notice has been given in the order paper.

What I have in mind by way of amendment does not touch any of these things. What I am now seeking to do is to establish, after careful consideration, the basis for the course that we propose should be taken in this house with regard to the matters that I have discussed. My hon. friend said "matters" a while ago as though that mattered.

Mr. Speaker: I certainly—

Mr. Martin (Essex East): If I may conclude, Your Honour may have been diverted by my suggestion when I said there were many kinds of unemployment and many kinds of solutions. I would suggest, Your Honour, that even that would not preclude the right to suggest consideration of proposed methods of dealing with a particular situation which we have discussed.

I do not intend to argue the point of procedure any further. I am prepared to, and am well prepared to, because we have anticipated this very objection on the part of the Minister of Finance, as the Leader of the Opposition has indicated, but it seems to me there need be no further argument on the point.

What I was seeking to establish, Mr. Speaker, before my dear and hon. friend,

who obviously, is carried away today on his birthday anniversary, made his intervention—

Mr. Speaker: Before the hon. member proceeds, as he discussed the point of order further after I had indicated a view I just want to recall to his mind that although what he says is perfectly sound, that supply is the great opportunity of the commons to express its grievances before authorizing money for the administration, we have provided in our rules six supply motions, and it certainly was not intended that each motion could cover the same ground. Therefore, there are limits. If the hon. member will recognize that there are limits and try to direct his remarks to his amendment and proceed in that way I think we can get along.

Mr. Martin (Essex East): I think there are no difficulties. Your last words would, I am sure, if strictly interpreted, have to be redefined in the light of citation 234. If there is any repetition of the decision already taken, then I am out of order, but only within that context of the amendment referred to by my hon. friend. It does not in any way, as the Leader of the Opposition indicated, touch the point because no decision has been taken on the matter to which I will ask the house to give attention when I have finished what I have to say.

As I was saying, Mr. Speaker, there are many kinds of unemployment: Frictional, seasonal unemployment, structural unemployment, technological unemployment, unemployment caused by international trade. At this time we have a right to inquire whether the government at any time has given us a careful indication of the character of seasonal unemployment. Certainly the present level of unemployment in Canada does not represent in its entirety seasonal unemployment. But we have unemployment, and this has to be faced, along with other questions, as the governor of the Bank of Canada has recognized. There are solutions for this problem which have not been taken, or certainly which have not been discussed by the government.

We have been told recently in another place about fraud in our employment service. The parliamentary secretary to the Minister of Labour (Mr. Thrasher) indicated that that exists and has pointed out the difficulty of eradicating it. I say to the administration that if that is so, no matter how difficult it is it must be the responsibility of the government of Canada to take steps to see that those situations are corrected.

With respect to technological unemployment, we must recognize that our national employment service must be brought up to its highest possible point of efficiency. We must see to it that the employers of our country fully use this service, if they are not doing so now; we must see to it, in order to make this service the kind of force which the situation now requires in Canada, that our national employment service officers are adequately remunerated to do this very important job.

We have had no indication from the government as to what steps it is prepared to take in the matter of the proper location of industries, such as is being done in England. Those are considerations which at some time or other, if this problem referred to by the governor of the Bank of Canada and others is going to be met, will have to be dealt with.

Are we satisfied to the extent that seasonal employment is a cause that we are taking every step that should be taken to meet this problem? We were told two years ago that the Department of Labour was undertaking studies in the matter of seasonal unemployment to determine its character, to determine remedies. We have never had those studies, and if rumour is correct those studies are not directed toward a proper appreciation of the problem.

At the present time there are thousands of university students, many of them trained, who could be utilized to assist in this important work, a job that was undertaken in the United States and in Great Britain within the last year and half. There are suggestions for reducing seasonal unemployment. There were suggestions made by the congress of labour in the last bulletin which was issued a few days ago. The bulletin embodies suggestions which we have a right to ask the government to consider and tell us whether it has considered them and what its comments are, because if one can accept the logic of the representations made by the congress of labour, they do provide what seem a priori to be solid contributions and solutions.

What does the Minister of Finance think, for instance? What do the Minister of Labour (Mr. Starr) and the Minister of Public Works (Mr. Walker) think about the suggestions made by that body for lowering interest rates on winter construction? What do they think about the suggestion of grants to induce municipalities to carry out construction in winter rather than in other seasons? What about the suggestion of higher depreciation rates on winter projects? What about winter exemptions on building materials from sales tax? What about subsidies to individuals and to firms, municipalities and provincial governments which undertake to do what the national government has been urging?

Those are matters which are put to us for the first time by way of suggestions. We have the right to know whether these matters are being considered, or is the problem being allowed to run its course, and is the government's approach one of relaxed interest?

This is not going to provide the solution in this very difficult period, as the governor of the Bank of Canada points out. I make the suggestion that not enough consideration has been given to the possibility of a special capital investment program in depressed areas.

We have a situation in this country at the present time where we have an exceedingly high level of unemployment despite our proximity to the business cycle peak. Production is at a high level; there is no denying that. Hon. gentlemen sitting on the ministerial benches may refer to that as an achievement, may refer to that as an indication of prosperity. Alongside that is the anomalous fact that in spite of high production there is great unemployment, unemployment which persisted during this year, in 1959, 1958 and in 1957. Employment has not responded in spite of this increase in productivity. We now have a hard core of unemployment, coupled with repetitive seasonal unemployment of substantial proportions, more in this country, according to figures, than is known in any other country in the western world but one, even if one recognizes the different indices and standards which are applied. Incidentally, it is of interest to know that our D.B.S. standard, plus the number of temporary layoffs, is closer to the international labour office standards than any other.

But this problem is not going to solve itself. This problem is not going to be solved unless this government asserts the kind of leadership represented by the courage and the assessment made by the governor of the Bank of Canada, as I hope to show in examining some of the remarks that he makes.

The national problem of unemployment in Canada is aggravated by regional unemployment. The problem, although national in scope, is largely regional in its severity. Our national manpower is being inefficiently utilized. The nation is being deprived of products which could have been produced if our labour force had been fully employed during this period. To correct this situation would involve cost. This is met by the governor of the Bank of Canada in these memorable words which he used in this speech on May 12. Here is what he had to say:

> The cost of unemployment and of measures to promote increased employment are real, and must be borne by someone. There are non-inflationary methods to deal with this, if the people of Canada are prepared to share the cost. Such methods must all turn on the same basic principle. In one way or another, those of us who are employed must contribute out of our resources to help share the cost of unemployment and to help create conditions in which greater employment opportunities will be available within Canada. The question of maintaining a viable economic structure in different regions of Canada as well as in different industries within Canada is also one which calls above all for a sharing of burdens and opportunities. The cost that must be shared, the price that must be paid in the short run, in order that we may all be better off in the long run, and in order that we may all remain Canadians in the long run, is not in my opinion a very high price, but obviously it is more likely to be voluntarily accepted and undertaken—

This is what I am seeking to do.

> —if we all know and study and face up to the facts, and reach a broad measure of agreement on what we want to achieve and what methods are best calculated to bring about the desired achievement.

I said at the outset, Mr. Speaker, that the speeches made by the Minister of Finance (Mr. Fleming) in Vancouver and in Winnipeg did not touch on this theme. I say at this time that the Minister of Finance, who now finds this somewhat of a laughing matter, must either accept the conclusions of the governor of the bank or repudiate them and resort to the necessary constitutional practices so that in his service and the service of the nation will be those who share his ideas and the ideas of the government of Canada. My hon. friend has not made one reference in any of his speeches to the problem of unemployment. He completely ignored it in Winnipeg, he completely ignored it in Vancouver, and he passed over it in a very cavalier way in the budget speech he made in the house.

Mr. Fleming (Eglinton): No, no.

Mr. Martin (Essex East): But the governor of the Bank of Canada does not overlook the regional aspects of this problem. He said at page 18 of this speech, and I commend this to the Minister of Finance:

> And Canada can only be strong and meaningful in terms of national identity if each of its main economic regions is likewise enabled to develop and maintain a healthy economic structure as the varying circumstances of time and place may require.

Does the Minister of Finance agree with that? Does he recognize now what are the facts that are gradually being exposed? The unemployment problem in the maritime provinces is, of course, a manifestation of the national problem, but here are the figures that are given now and which reflect a seriousness that we do not all appreciate. We now find calculations made which show that in January, February and March 75,000, 83,000 and 85,000 people were without jobs and seeking work in that area. This represents 13.6 per cent, 15.2 per cent and 15.9 per cent of

the region's labour force. In the provinces of New Brunswick and Nova Scotia the total volume of industrial employment has decreased in absolute terms in the period 1956 to 1959.

Then we find that in the province of Quebec, one of the regions where unemployment is greatest, unemployment in March, 1960 was 12,000 higher than in March of 1958. In that province during January, February and March of this year the number of persons without jobs and seeking work was 192,000, 242,000, and 236,000, representing 11.0 per cent, 13.3 per cent and 13.6 per cent respectively in those three months, people who were unemployed and seeking work.

There are, of course, other areas of unemployment in the country. There are several pockets in relatively prosperous regions. According to the latest figures published in the Windsor *Star* on Friday last, my own city of Windsor still has some 9,000 persons seeking jobs, and that situation has prevailed in that community on an even higher scale during the past three to four months. One recognizes how fortunate we in this country are to have had developed a scheme of social welfare and economic assistance through social measures without which the purchasing power of these unemployed would be negligible, and without which it would be the obligation of every citizen of this country out of their taxes to maintain body and soul, for these people. Under these social measures all of them are now able to be maintained as a matter of right, although one does not forget that last year there was imposed on the unemployment insurance fund a responsibility that belonged to the nation as a whole.

I asked the Minister of Finance the other day whether or not any loans had been made to the unemployment insurance fund and his reply was in the negative. I will admit that he readily corrected himself the next day and pointed out that the Bank of Canada had lent moneys to the unemployment insurance commission—

Mr. Fleming (Eglinton): I did not say the Bank of Canada.

Mr. Martin (Essex East): —$4 million on April 19, $12 million on April 25 and $3 million on April 29, and the minister also indicated that requests for an additional $19 million had been put forward. I would remind the Minister of Finance, as an indication of the economic situation to which I have been directing my attention, that last year was the first year in the history of Canada that the Bank of Canada or the government of Canada, as my friend wishes, was called upon to lend any money to the unemployment insurance fund. The minister is about to correct me but that is the fact. Last year was the first time there had to be any bolstering of the fund by the Bank of Canada on the authorization of the investment committee and the Minister of Finance.

When the minister was replying the other day he said that the fund will be in balance in the month of June. I make this statement to the minister. Having in mind that last year some $78 million by way of additional contributions was imposed upon the workers and employees of Canada to bolster the fund, an increase from 25 to 55 per cent on the average without providing any increase in the pattern of benefits, if we are confronted next year with anything like the kind of unemployment we have had this year then it will mean that there will not be enough money in the fund to provide the assistance which has been contracted out to the contributors to the fund. That is a serious situation when we take into account the fact that in December, 1956, the fund amounted to $924 million; on March 31, 1957, $874,574,000; on March 31, 1958, $744,200,000; on March 31, 1959, $499,811,000; and on March 31, 1960, $359,949,000. If these figures, brought up to date with the additional information provided by the government, are not a reflection of the economic weakness that prevails at the present time, then I should like to know what is.

We have put before this government proposals. They have all been passed over by the administration. Included in those proposals, which were never voted upon, never were put forward in the form of motions and let us understand that procedurally, were two which embodied proposals made by this government when its leading members were sitting to the left of Mr. Speaker. The government passed over them. The government has refused to act on them.

We urged the setting up in this house of a parliamentary committee to examine these related problems, but that opportunity was not given to us. Instead one aspect of this problem has been referred to a group of experts to try to find some device, which incidentally would have the effect of creating less embarrassment for the government, as a result of which some satisfactory, acceptable figure of unemployment might be given to the country. We have yet to hear as to the progress made by this group, although time marches on.

But, on the other hand, an opportunity has been given for some group outside to study and report upon the trend in manpower requirements and utilization in Canada, with the object of exploring the

possibilities of maintaining and extending a high level of employment and without restricting the opportunity of that group of reporting upon the growth of the economy and all the other factors influencing employment opportunities, including particularly technological changes and the growth of the Canadian labour force. It is an effrontery to this house that the government should have allowed one of its spokesmen elsewhere to prosecute that kind of study, having denied that right to the representatives of the people, chosen in election, who sit in this house.

Not only that, Mr. Speaker,—this was not touched upon by motion, either—there is a standing committee in this house known as the industrial relations committee. This committee has been organized, one meeting has been called and a chairman has been selected. There has not been one meeting of that committee held since that organizational meeting. As a member of the committee I proposed that we ask the House of Commons to give the committee power to investigate the problem of unemployment. The motion was put and every member sitting behind the treasury benches voted against the proposal.

Mr. Fleming (Eglinton): Is it lawful, Mr. Speaker, under the rules of the house to make a reference to the proceedings of a committee which has not reported to the house?

Mr. Martin (Essex East): It has reported; the committee did report.

Mr. Fleming (Eglinton): Let us have the report.

Mr. Speaker: I think that on another count the hon. member is quite out of order. What he is saying appears to me to be a reflection on the vote in committee. It is not in order for an hon. member to do that.

Mr. Martin (Essex East): Thank you, Mr. Speaker; you are quite right in that. I am sorry I did. The fact is there was a report. Not only was a report made, but there was an incident which took place in the house based on that report to which I should like to direct the attention of my vigilant friend, the Minister of Finance.

The hon. member for Kenora-Rainy River (Mr. Benidickson) moved that that committee be empowered to study the standards of measurement of unemployment. At the chairman's request that motion was suspended and not voted upon. The chairman said he wished to give the matter further consideration. Some weeks later in this house the hon. member for Kenora-Rainy River, exercising an undoubted but unusual privilege, put a question to the chairman of the committee, the hon. member for Danforth (Mr. Small), on the orders of the day. He asked the chairman when the committee would meet so that the particular motion could be dealt with, and the hon. member for Danforth replied in the best ministerial manner, that he would give the matter further consideration. Nothing has been done since. The committee is set up to work, but is not doing anything. We have been denied the right to use that vehicle to study the most important single domestic problem facing the people of Canada, the problem of unemployment.

The matter does not rest there. The congress of labour, through its president, in the month of January suggested at a board of trade meeting in Toronto that the time had come when government, industry and labour should confer together on problems of common interest. I asked the Minister of Labour several times if he would convoke such a conference. I was always able to receive from the minister polite replies, but the government never met the suggestion. I put this question to the Prime Minister (Mr. Diefenbaker), and it will be found on page 616 of *Hansard* for February 2, 1960, early in the session:

> The Prime Minister will recall that I asked this question myself ten days ago. Will the Prime Minister now say whether or not the government has given consideration to this proposal made by the president of the congress of labour three weeks ago when he spoke to the board of trade meeting in Toronto?

The Prime Minister answered:

> The answer is no.

That was with regard to a matter, I say again, which touches the most important single domestic problem in our country. We have urged repeatedly, not by way of a motion, on the government and on the Minister of Labour in particular to call such a conference, but without any success. I was pleased but astonished when on Friday last in reading the Ottawa *Citizen* I noticed a report of a speech made by the Minister of Labour. Here is the speech as reported in the Ottawa *Citizen* of May 20, and the heading is, "Starr Asks Three-Way Market Bid":

> Gananoque, CP: Labour Minister Starr Thursday night called on labour, management and government to consult together to maintain a competitive position for Canada in world trade.

I do not know whether or not that is an announcement of policy. I hope the Minister of Labour secured authorization to say that. We certainly will back him up because that is something we have been contending for and urging upon the Prime Minister and others, something that labour itself has been

asking, that the national chamber of commerce has been asking. Surely the Minister of Labour will now take advantage of his own proposal which confirms what we have been urging all through this session, so that at long last these questions might be put on a co-operative basis in order to try to find some procedural way of determining what steps should be taken to meet the serious problems that confront us, of which unemployment is but one.

The minister referred to the competitive position of Canada and that obviously is a very important matter. No decision can be taken which adversely affects the income position of labour without giving labour an opportunity of discussing its position with government and with industry. Nothing but good can come out of this suggestion. I should like to say that the Leader of the Opposition suggested in 1958, when speaking about the same problem of unemployment and the indications of a recession, the establishment of an advisory board with representatives from labour, industry, agriculture and the univer- problems of production and employment.

I now, as spokesman in this instance for my party, with the Leader of the Opposition sitting by and with whom I have discussed this matter as I have with my colleagues, urge the government to set up such a board on economic development to assist the government in prosecuting the problems which have been underlined by the governor of the Bank of Canada and which, in some instances, have not been recognized by the government of the day. That proposal was consistent with the suggestion made in 1957 by the Gordon commission which reported as follows:

> We believe it might be helpful if a body of experts were established (along the lines of the council of economics advisers to the President of the United States), whose function it would be to inform the government of changes which might be thought desirable in economic policy in order to ensure a high level of employment without inflation.

Then we have supporting the position we are taking the recommendation made by the mayors of Canada at their last meeting which was held in Chicago. In the London *Free Press* of May 12 an article headed "Overwhelming Support Given by Delegates" reads in part as follows:

> The Canadian Federation of Mayors and Municipalities yesterday called upon the federal government to appoint an impartial board of inquiry or royal commission to investigate unemployment in Canada.

I would go further and make that kind of body a permanent agency of government including, I would hope, in its personnel the governor of the Bank of Canada, so that they could address themselves as the governor did in another statement in his speech to which I have made so much deserving reference and which does not seem to capture the sympathetic interest of my dear friend the Minister of Finance on his fifty fifth birthday. That statement which will be found at page 18 reads as follows:

> Although we have our difficulties and problems, let us not forget that we are capable of providing Canadians in all parts of Canada with a way of life which even in economic terms need be second only to that of the richest and most powerful nation in the world, and in Canadian eyes and taking account of non-material values as well, second to none. We do not have to choose between poverty-stricken independence and some form of economic colonialism, either for Canada as a whole or for any of the regions of Canada. If we put Canadianism in the forefront of our economic and social thinking, and recognize each other as fellow Canadians, if we co-operate and share, we can be both independent and wealthy, even as the world measures wealth. If we are sufficiently determined to pay our own way and make our own place in the world, all Canadians in every part of Canada can achieve productive employment, with an ever-widening range of modern industrial and scientific occupations available to them, and can maintain a standard of living and way of life which in the sum of all its aspects will be capable of satisfying the highest aspirations of the human spirit.

Those are the words that should be uttered by a Prime Minister or by a Minister of Finance if they are prepared seriously to acknowledge the prognosis referred to by men who are regarded as experts in this field, some of whom are now serving the government and the people of Canada in our public service.

For all of these reasons has the time not come—

Mr. Fleming (Eglinton): Yes, to introduce the amendment.

Mr. Martin (Essex East): —for this government to rouse itself from its lethargy, to abandon this policy of laissez faire—

Mr. Fleming (Eglinton): That is Liberal policy.

Mr. Martin (Essex East): —and to approach this matter with vigour consistent with the promises given to the people of Canada when they were promised a new economic era for the unemployed, for the farmers and for the other groups in our country. For these reasons, Mr. Speaker, seconded by the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) I move the following amendment:

> That all the words after "that" be deleted and the following substituted therefor:
>
> "this house recommends for the consideration of the government the immediate setting up of a national advisory board on economic development and automation with representatives of governments, industry, labour, agriculture and universities, for the purpose of developing economic policies designed to achieve a high and stable level of income and employment."

Mr. Speaker: Does the minister wish to comment on this proposal?

Mr. Fleming (Eglinton): Yes, Mr. Speaker. I wish to submit to you that this amendment is out of order.

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): Even if the amendment were in order, the terms of the amendment will have made out of order about 90 per cent of the speech of the hon. member for Essex East. He has chosen—as I suggested earlier he was doing—to go ahead making a speech and to defy the rules of the house as he proceeded and then indicated he was going to move an amendment to which it would be relevant.

Mr. Martin (Essex East): On a point of order, Mr. Speaker—

Mr. Harkness: The minister is speaking on a point of order.

Mr. Martin (Essex East): Then on a question of privilege—

Mr. Speaker: The minister is speaking on a point of order. If there is a matter of privilege intervening, of course I will hear it.

Mr. Fleming (Eglinton): It is quite evident that about 90 per cent of what the hon. member has been saying in his lengthy speech this afternoon is not relevant to this amendment at all. However, he has gone ahead. He has in effect defied the Chair by discussing things that have been decided by the house previously.

Mr. Martin (Essex East): I rise on a question of privilege, Mr. Speaker. This is the second time. I do not mind it when my hon. friend discusses points of procedure or points of order. But what my hon. friend likes to do—and he is obviously doing it now—is to indulge in personalities. I have not sought to defy the Speaker and it is not open to my hon. friend, even when he reaches his fifty fifth birthday, to make that allegation.

Mr. Speaker: I understand the minister is rising to deal with the point of order as to the relevancy of this amendment and not as to the relevancy of what was said prior thereto.

Mr. Fleming (Eglinton): It has a bearing on the amendment as well. I have something to say about the relevancy of the remarks.

In my submission this amendment is clearly out of order on several grounds. In the first place, what is provided for under the practice of the house is an amendment that states a grievance. It must be something that in its terms purports to complain of something the government should do, a grievance that is entertained because the government has done or not done something. That is not the form of this amendment at all.

It is quite obvious that the hon. gentleman, faced with the amendments introduced earlier by the opposition, particularly the one of April 4, has sought to set up something that will just be outside the scope of that amendment. However, what he has done in effect is not to set up a grievance. He has advocated a course of action. This is not a grievance; he is proposing a course of action.

In the second place, no such board as is proposed here by way of a recommendation can be set up, it seems to me, without incurring an expenditure. The hon. member is asking the house to recommend for the consideration of the government the setting up of this board. He is asking to put the house on record on a course of action which will inevitably involve the expenditure of money. In my respectful submission, even with the use of the word "recommendation", this amendment is not in order.

I submit to you that what the hon. member has proposed in his amendment is a course of action which relates to the very substance of the earlier amendments, particularly the one on April 4. There the house was asked to put itself on record as regretting certain financial policies which had resulted in high and rising unemployment and many other things. This matter has been discussed. After all, all these matters referred to in the amendment have been discussed time and again at this session, and we have it brought up again now.

On May 17, 1955 Mr. Speaker Beauchesne said, as reported on page 3868 of *Hansard*:

> I would urge hon. members to realize that at this moment we are debating a motion to go into supply with the Speaker in the chair, and we are supposed to raise genuine grievances, not to repeat points which have been raised time and again since the beginning of the session.

Mr. Martin (Essex East): Would the hon. minister give me the citation and the page? I have asked him twice but he has not acknowledged my request.

Mr. Fleming (Eglinton): I gave it but the hon. member was not listening.

Mr. Martin (Essex East): What was the page of Beauchesne?

Mr. Fleming (Eglinton): I am not talking about Beauchesne. I am reading *Hansard*.

Mr. Martin (Essex East): The hon. member said Beauchesne and I asked him for the quotation.

Mr. Fleming (Eglinton): No; I am quoting Mr. Speaker Beaudoin, not from Beauchesne.

National Board on Economic Development

An hon. Member: You said Mr. Speaker Beauchesne.

Mr. Martin (Essex East): I am sorry.

Mr. Fleming (Eglinton): I was quoting page 3868 of *Hansard* May 17, 1955.

As I have said, the hon. member is approaching this question today with a shot gun. Mr. Speaker Beauchesne—

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): Mr. Speaker Beaudoin, as reported on page 2523 of *Hansard* for March 29, 1955, in referring to an hon. member said:

> He may speak on any subject whatever, but only once. He cannot raise two or three grievances.

That is what the hon. member has been doing for the last hour and a half, raising a multiplicity of grievances. Now he brings in something to which probably not more than 5 per cent or being generous to him 10 per cent at the most of his remarks can claim to be relevant at all, and then what he brings in is not an amendment which is in order under the rules of the house.

Mr. Martin (Essex East): Would Your Honour like me to give you at this time my view about the matters under discussion?

Mr. Speaker: Yes.

Mr. Martin (Essex East): I should have thought it was clear that the minister was indulging in a form of procedural intervention not so much for the purpose of having clarification but because he has referred to some of the things I said, again exhibiting that his main purpose is not the projection of all—

Mr. Speaker: Order. The hon. member is just going into the same kind of tactic which he raised as a grievance against the minister, and I must warn him that he is not in order.

Mr. Martin (Essex East): Mr. Speaker, I accept the warning but I would observe that the Minister of Finance is apparently more successful in being able to do that than I am.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): That is a fact.

Mr. Speaker: Order. If the hon. member intends that as a reflection on my conduct of the proceedings, I would hope he would modify it.

Mr. Martin (Essex East): Mr. Speaker, I intended that of course not as a reflection on Your Honour but as a reflection on the minister who did seek to debate the substance of what I have said. Whether he accepts what I say is a matter for argument;

but to suggest that it is irrelevant is the very subject of the present procedural discussion before the house.

Mr. Fleming (Eglinton): The hon. member is not allowed to reflect on another hon. member.

Mr. Martin (Essex East): The minister keeps talking about a grievance. We are not raising a grievance. The hon. member has apparently not understood what the citation from Beauchesne is intended to convey. Citation 234, as I as well as the minister have already quoted several times, provides:

> When such motion is proposed, it shall be permissible to discuss any public matter within the powers of the federal parliament or to ask for the redress of any grievance—

That is the alternative.

There is before the house an amendment which calls upon the government to give consideration to certain matters, but we are not proposing ourselves to set up a committee. We have no power to set up a committee and consequently no expenditure is involved under this particular amendment. All we are asking the government to do is to consider the immediate setting up of a national advisory board, et cetera. If the government decides it will come in with a resolution, it will make the proposal for the expenditure of money. This is merely a request in the form of an amendment in the time-honoured manner of asking the government to give consideration to a procedure which we believe would be one way by which the problems discussed in my statement could be considered for their validity or otherwise.

It is clear that what Speaker Beaudoin was referring to was something that involved a matter which had already been attended to by way of decision. The amendment now before the house is something that has not been proposed formally in this house this session. As far as I know, I am not aware of its having been proposed at any time in parliament. It has been proposed now for the first time, and the substance of the amendment is the setting up of machinery to discuss a number of matters, namely to set up a national advisory board on economic development and automation with representatives of government, and so on. But I repeat, the substance of the motion is to set up such a body.

The hon. minister speaking on the amendment says that this point has already been dealt with. With great respect I would point out to Your Honour that in the amendment moved on the address in reply to the speech from the throne the word "employment" was mentioned as one of five fields about which confusion and uncertainty prevailed. It was

not the substance of the motion. There has been no decision in this house this session on the question of unemployment. But that is not the substance of my amendment. My amendment does not deal with the question of unemployment as such; it deals with the setting up of a committee to study a number of problems of which unemployment is one. The words "high and rising unemployment" were used in the budget amendment as one of four problems for which the budget offered no solution. But the very language of that amendment is clear. It is: "This house regrets that the financial policies of the government will produce a fourth consecutive over-all deficit in a year of so-called prosperity". The amendment was an expression of regret, at the same time offering no solution to the problem of rising prices, rising trade deficits, and so on. So that if we accept, as I think Your Honour will on consideration, that this particular amendment is one that deals with the setting up of an advisory committee, there can be no doubt about the validity of the amendment and that it is in order.

As I indicated, citation 234 (1) sets forth what may be discussed on such a motion. The main question arising from this citation is whether the amendment now being proposed relates to any decision of the house during the current session. That is the procedural point which will interest Your Honour.

In this connection I would like to go further than the hon. minister. I would like to examine the authorities to show how fallacious is the position he has taken. I refer Your Honour to citation 191 (3) of Beauchesne, which reads as follows:

> The *question* is the subject matter of the motion, and on the merits of that subject matter the House has to give a decision either unanimously or by the majority of the members present. The Speaker proposes the question in the words of the mover. When the motion has been seconded it merges in the question which is read by the Speaker, after which the house is in possession of the question and must dispose of it. Every question when agreed to assumes the form either of an order or a resolution of the house. By its orders the house directs its committees, its members, its officers, the order of its own proceedings and the acts of all persons they concern; by its resolutions the house declares its own opinions and purposes.

It must be noted that the opinions and purposes which it declares are not ones involving any expenditure of money. They are merely calling upon the administration to give consideration to certain matters.

Then there is citation 194:

> A motion or amendment cannot be brought forward which is the same in substance as a question which has already been decided, because a proposition being once submitted and carried in the affirmative or negative cannot be questioned again but must stand as the judgment of the house. This rule applies to the decision taken on amendments to the address in reply to the speech from the throne. A question once put cannot be altered by the member moving it, without the consent of the house. The reconsideration of a question already decided is not allowed under British parliamentary practice, but it prevails in many public bodies and societies. A resolution may however be rescinded, i.e. it may be made void and of no effect. A question once put cannot be altered by the member moving it, without the consent of the house.

These citations together clarify the meaning of the word "question". The main consideration is the substance of the amendment and not its appendices, or matters which are merely incidental to it. One could have left out any reference to a high and stable level of income and employment without in any way affecting the substance of the motion. One could certainly have left out the word "employment" without in any way affecting the substance.

It is apparent that at no time in the current session has this house reached a decision on setting up a board of the kind proposed. To deny this amendment would be to take away from the opposition the right to seek a decision on this matter by an amendment of this character. The Minister of Finance, in the budget debate, attacking the validity of our amendment, quoted citation 148(1) of Beauchesne which reads in part:

> It is a wholesome restraint upon members that they cannot revive a debate already concluded—

The hon. gentleman made reference to that, but that does not mean anything. What is significant is this: what do we mean by the word "concluded"? The question is: when is a debate concluded? The answer to that is provided in citation 120 which states that a debate is concluded when a decision is reached by the house. I will read citation 120 because it surely will convince Your Honour, if that is now required, as to the soundness of the position which we have taken. Citation 120 reads as follows:

> The proceedings between the rising of a member to move a motion and the ascertainment by the chair of the decision of the house constitute a debate, and this process affords an opportunity for, and usually involves, discussion, although a decision may be reached without discussion. The interval between the proposing and the putting of the question, which is usually used for discussion, gives an opportunity for further proceedings such as the moving of an amendment; and this may give rise to a subsidiary debate, with its own question and decision, within the principal debate.

And then:

> Debate arises when a question has been proposed by the Speaker and before it has been fully put. A question is fully put when the Speaker has taken the voices of the ayes and the noes.

Thus it should be stressed that the substance of the amendment before the house is the creation of a board to develop economic

policies, and though unemployment and income are mentioned, these are incidental references within the amendment and do not constitute its substance. For this simple reason this matter, under our rules and under the citations to which I have referred, does not come within the mischief of the word "conclude".

I submit these representations to Your Honour confident in the belief that you will recognize their validity. They are founded on precedent and they are supported by our practice.

Mr. Speaker: May I ask the hon. member one question? The use of the word "employment" at the end of the proposed amendment in conjunction with the proposal for the consideration of the setting up of the committee raises in my mind the possibility of a repetition of the debate on the amendment proposed during the debate on the budget which related to the financial policies of the government and their effect on unemployment. Has the hon. member any comment to make on that, because I would consider this to be a repetition of that debate, on which a conclusion was reached by a decision to negative the amendment, and would not be in accordance with the proper practice of the house.

Mr. Martin (Essex East): I can only say to Your Honour in reply as to the view you take to the amendment to which allusion has just been made, that I can only, with respect, take issue with Your Honour, because I believe that in the amendment the reference to unemployment was incidental. However, Your Honour apparently takes another view, a view which I had hoped it would be possible to shake. I can only state that I believe the very language of that amendment indicates that it was incidental. But whether or not it was incidental then, the point is that it is clearly incidental now. I believe it was incidental in both cases. The substance of the motion before the house is:

> This house recommends for the consideration of the government the immediate setting up of a national advisory board on economic development and automation with representatives of governments, industry, labour, agriculture and universities, for the purpose of developing economic policies—

Period. That is the substance of the motion.

Some hon. Members: No.

Mr. Martin (Essex East): Hon. gentlemen opposite say, "no". That is a matter for the Speaker, and I am sure none of them wishes to usurp that function.

Mr. Pearson: If I may say one word on the question which you have raised, Mr. Speaker, it seems to me that the closest precedent both in time and in nature is that to which I have already referred—the occasion in the session of 1955. In that session, as has already been pointed out, the hon. member for Dufferin moved an amendment to the address in which he regretted on behalf of the opposition that the government had failed to take or recommend the necessary measures—and then there is a list of six fields, of which the second is unemployment. The words were, in fact:

> (b) to solve the urgent problem of unemployment.

In the debate which took place at that time the subject of unemployment was brought in, but all the other matters referred to in those various other fields were also discussed. That did not prevent, nor did the government of the day seek to prevent, the opposition moving an amendment on going into supply which again dealt specifically with one of these matters, namely unemployment, though in a somewhat different form, because that motion read:

> That the government should immediately give consideration to the formulation of plans to deal with this emergency of unemployment.

That motion was accepted. It was debated, and it was decided, and it seems to me that if such a situation prevailed at that time this particular motion is surely in order, because it is not as closely related as those two motions were in 1955; it is not as closely related to any previous discussion.

Mr. Speaker: Perhaps I could shorten this discussion by indicating my views on some of the points which have been raised, and the remaining difficulties. On the point the minister makes about the amendment involving the expenditure of money, I think the general approach, or the formula, by which the matter is recommended to the government is sufficient answer. It is that the house recommends for the consideration of the government. That is the form which has been used in many of our motions by private members. If it is accepted it does not commit the government; it does not commit the government to spend money. It asks the government only to consider setting up a committee, to give expression to it. In other words, the decision of the house does not bind the government to set up a committee, it only puts the government under an obligation to give consideration to setting up the committee.

On the question of whether this is a grievance or not, I should like to refer hon. members to Bourinot's Parliamentary Procedure, fourth edition, which defines this procedure in terms which I think are worthy of consideration. I refer to page 419:

> The order of the day for the house to go into committee of supply having been read, the Speaker will put the question—"that I do now leave the

chair". The same question is always put whenever the house is to go into committee of supply, in order to afford an opportunity to members to propose amendments. On this point it is observed by an eminent authority that the ancient constitutional doctrine that the redress of grievances is to be considered before the granting of supplies, is now represented by the practice of permitting every description of amendment to be moved on the question for the Speaker leaving the chair, before going into committee of supply or ways and means.

"Every description of amendment"; there was no right of parliament broader than that of raising grievances before voting supply and, as Bourinot points out by reference to this authority, that right is preserved in our supply motions. I continue with the citation:

Upon other orders of the day, such amendments must be relevant, but here they are permitted to relate to every question upon which a member may desire to offer a motion. The same practice is now followed very extensively in the Canadian commons.

I have no hesitation in coming to the conclusion that a resolution recommending to the government that it consider setting up a committee, something which it has not done, is a grievance within the very broad terms of grievances, which include anything within the administrative power of the government, about which the commons can complain in the course of the process of granting supply.

The other point is the difficult one, to my mind, whether we are opening ourselves to repetition of debate that has been concluded by a vote. That difficulty arises not out of the recommendation for the setting up of this committee or in anything it says but in the words:

—for the purpose of developing economic policies—

Then, it goes on:

—designed to achieve a high and stable level of income and employment.

I cannot help but recall the words of the amendment to the budget resolution, which dealt with the financial policies of the government with respect to employment. Here we come to economic policies with respect to employment. While "economic" is perhaps a broader word and is more inclusive than the financial policies of the government, yet economic policies might be those of private industry and other agencies. This is the problem that remains and if, before I come to a decision, the minister or others would like to address themselves to that point briefly, I would be grateful.

Mr. Fleming (Eglinton): Thank you. I would like to say a further word about it, to put before you as directly as I can the position in which hon. members would find themselves if this were ruled to be in order.

The hon. member for Essex East (Mr. Martin) cannot just conveniently drop words from his motion and ask you to consider the motion at this point as if they were not in, because these are the principal words of the motion. He asks the house to recommend that the government set up a national advisory board on economic development and automation with representatives from various sources. These are the words:

—for the purpose of developing economic policies designed to achieve a high and stable level of income and employment.

This is the whole purpose for which he asks that consideration be given to the setting up of a board. What are the policies? Those are policies designed to achieve a high and stable level of income and employment. No hon. member in this house can hope to discuss this question—I think this is the nub and essence of the whole question now submitted to you for decision—no hon. member can discuss this motion without going directly into the questions pertaining broadly to the achievement of a high and stable level of income and employment. This is precisely the question that was under debate in the budget debate. This is precisely the question that was raised by the amendment introduced by the opposition on April 4. We had such a debate back at the end of January and through February on the supplementary estimates, when we had an eight-day discussion on unemployment in this country and all manner of methods of coping with unemployment or aiding in reducing it. Yet we are now asked to go back and review that question all over again; we are asked now to review the whole question that was raised directly in the budget debate and do that all over again, because we are told this narrows the discussion down to a particular point.

That particular point can only be fairly judged in any approach to it by any hon. member in this house in relation to the broader question, and that broader question has been directly raised in debate this session not once, but I am sure at least twice, on the occasions I have mentioned. Therefore, Mr. Speaker, my submission is that that is the test and, having regard to the fact that the hon. member has attempted to justify the amendment and the grievance that it is supposed to deal with on the basis that it is assisting in achieving a high and stable level of income and employment, I say that these words bring him completely within the scope of those earlier motions.

It is not a matter of words only, although the words bring the amendment clearly within that scope, but it is the substance as well. The citation from Beauchesne which was quoted emphasizes the matter of substance. If this amendment were allowed to stand we would embark now on another

debate on unemployment, the same question as has already been debated frequently this session.

Mr. Pearson: Mr. Speaker, perhaps you could deal with the precedent which I mentioned. It seems to me to bear very directly on this issue.

So far as the argument of my hon. friend, the Minister of Finance, is concerned, it really would amount to this if it were accepted, that because we talked about national income and unemployment six weeks, or two weeks ago we should not be permitted to talk about it during the rest of this session, no matter how conditions may have changed and no matter how necessary it may be for the government to take steps to meet those changed conditions. This is the logical inference to be drawn from my hon. friend's argument.

It is some weeks since we talked about unemployment in the budget. Since that time there have been changes in the situation. In our view the situation has perhaps deteriorated to the point where we think it more important now to set up machinery to deal with it than it was even then.

If this motion were in a form merely to advise the government to consider the setting up of a board in the terms in which they appear to be prescribed, a national advisory board on economic development and automation; if the motion stopped there with the names of its members, is it suggested by my hon. friend that in discussing the work of this board we should not be permitted to say what it might do in respect of income and employment? If he takes that position, it is absurd. If he does not take that position, surely by mentioning employment and a stable level of income we are not to be precluded from talking about them when if they were omitted we could talk about them. That is the situation as it appears to me.

Mr. Churchill: Mr. Speaker, in case you should be influenced by the remark of the Leader of the Opposition to the effect that if this amendment is not allowed the opposition would then be precluded from discussing the question of unemployment in the future during the course of this session, may I remind the house that the estimates of the Department of Labour have still to come before the house as well as the estimates of the Department of Finance and, for that matter, all other departments. Occasions can be found in the discussion of the estimates to raise the problems that are mentioned here.

Mr. Robichaud: This is a supply motion. Have you forgotten that?

[Mr. Fleming (Eglinton).]

Mr. Martin (Essex East): In answer to the Minister of Trade and Commerce I simply want to say that that is not the purpose of this amendment. It is not that we want another opportunity to discuss unemployment. We shall have that opportunity. This is an amendment to provide a means whereby the agencies of government can be strengthened to deal with economic development and automation. That is what the purpose of the amendment is, and we could not put forward an idea like that on the estimates of the department. My hon. friend knows that.

Mr. Churchill: I was dealing with the remark of the Leader of the Opposition, but with regard to what the hon. member has just said may I say that the operative words in the amendment are the last words, "income and employment", and it is quite obvious that members debating this amendment would have to follow the lead of the hon. member for Essex East who spent 50 per cent of his time discussing the subject of unemployment. In view of the attitude that has been taken in other debates, where latitude has been permitted if a previous speaker mentions a certain subject, it is perfectly obvious that the debate would rapidly develop into a debate on the subject of unemployment, which has been covered very frequently in debates during the course of this session.

Mr. Speaker: I think the essential purpose expressed in the proposed amendment is the consideration of "a national advisory board on economic development and automation with representatives of governments, industry, labour, agriculture and universities". In other words, it is not a purely governmental body but an advisory board "for the purpose of developing economic policies designed to achieve a high and stable level of income and employment".

I think the amendment is capable of the interpretation that the purposes of the proposed board are in general the maintenance of a high level of economic activity in the country. Unemployment is not mentioned although it is the converse of employment, and undoubtedly there is a risk that one matter which has been decided, the effect of the financial policies of the government with respect to unemployment, would be revived and an attempt made to debate it. But that was a narrow amendment, one which is an illustration of a different principle and having to do with the financial policy of the government rather than an advisory board. As I am in considerable doubt I think I should give the benefit to the proposer of the amendment with the caution that I will not regard it as opening the door to a debate on the financial policies of the government with

respect to unemployment, which subject has been dealt with as an amendment to the budget motion.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, certainly we welcome most heartily the great interest of the Liberal party now that they are in the opposition in the problems of unemployment and automation and the need to achieve a high and stable level of income and employment.

Mr. Hellyer: We had those things when we were the government.

Mr. Winch: I am not going to endeavour to comment upon or to follow the lengthy path travelled by the hon. member for Essex East (Mr. Martin) in arriving at what I consider to be the point at which he was aiming, a discussion and inquiry into the effects of the growing and ever-increasing problem of automation. He spoke on that subject very briefly but in accordance with the wording of the amendment I think that is perhaps the key point on which I should like to spend a few minutes this afternoon.

Mr. Fleming (Eglinton): Mr. Speaker, I do not wish to interrupt the hon. member but as the Speaker has just left the chair I wonder whether he would be good enough to come back because I think the consideration of whether or not this amendment is in order has not yet been exhausted. There is a further point I should like to raise.

Mr. Martin (Essex East): He has made his ruling.

Mr. Fleming (Eglinton): He has given a ruling with some hesitation and he expressed himself as in some doubt.

Mr. Robichaud: A ruling has been given and accepted.

Mr. Deputy Speaker: I have just arrived but I understand that a ruling was made that the amendment is in order, under certain conditions of discussion.

Mr. Fleming (Eglinton): With respect, Mr. Deputy Speaker, the Speaker made his ruling with respect to three points that were raised and expressed himself as in some doubt on one of the three points. He said that as he was in doubt he would give the benefit of the doubt to the mover of the amendment and permit the debate to proceed. But there is a further point which has just been brought to my attention which should be raised and which is directly relevant to the question whether the amendment now before the house is in order or out of order on another ground.

Mr. Pearson: Whatever points the minister may have thought of subsequent to the ruling, the ruling has been made that this amendment is in order. It was made by the Speaker and we are proceeding to discuss the amendment under that ruling. I consider it would be disrespectful and improper for a minister of the crown to ask the Speaker to reconsider the ruling he made only five or ten minutes ago and to open the whole question again after the lengthy consideration which has been given to it.

Mr. Winch: May I draw this to your attention, sir, that not only was a ruling given by the Speaker that the amendment was in order but his ruling was not appealed and as there was no appeal I, as the next speaker, am speaking to the amendment now before us. I have never heard of any procedure whereby, if the Speaker's ruling is not appealed and the house proceeds with its business, you can ask the Speaker to come back and change his mind. It is a fantastic situation and is unfair to the house and very unfair to the Speaker.

Mr. Fleming (Eglinton): Obviously the same point cannot be raised again but another point can be raised on another ground, and it is another ground.

Mr. Deputy Speaker: As the Speaker has arrived I think it would be more appropriate for him to hear the arguments.

Mr. Pearson: Mr. Speaker, a question of order has been raised by my hon. friend to the effect that this matter of whether or not this amendment is in order should be reviewed by you. You have given your decision; it was accepted, and there was no appeal from that decision by any member of the house. I assume, therefore, we are to be permitted to discuss the motion as you previously decided.

Mr. Fleming (Eglinton): The point was this. You disposed of the point that was raised earlier on several grounds. You, first of all, disposed of two grounds and then, finally, you dealt with a third ground and expressed some doubt on the point. Then you gave the benefit of the doubt to the mover of the amendment and permitted the discussion to proceed. Having just turned up a reference I did not find earlier there is a further point I wish to raise. I am not going to go back and ask the Chair to reopen a point that has been argued.

However, I wish to raise another point, that is if I may, Mr. Speaker—

Mr. Speaker: Order, I wonder if it is proper to reopen a matter after I have concluded my decision. I placed the motion before the house by reading it. The hon. member for Vancouver East (Mr. Winch) took the floor

and has been speaking. It may be that a matter which has come to the minister's attention would have had a bearing on the decision, and might have affected it. However, I raise the question of the propriety of opening up a decision which has been concluded. It seems to me we would be setting a very bad precedent in doing that, which would lead to lack of finality in any decision of the Chair.

Mr. Fleming (Eglinton): I would not be raising a point just to argue one of the points that had been raised before. It is another point. I could state it very briefly. The point is that this same matter—

Some hon. Members: Order, order.

Mr. Winch: The minister is arguing that you should change your mind.

Mr. Speaker: The minister is speaking to a point of order. I have asked the minister, before he pursues the matter, whether he does not think that a difficulty arises. It is true that when new evidence appears cases are reopened in court, but it does not seem to me that we can follow that practice, nor that we have followed that practice in the house. When a decision is taken the only remedy is by way of appeal. I think I should ask the minister not to pursue the argument.

Mr. Winch: I am not going to repeat what I said a few minutes ago, but merely emphasize that what I have to say on this amendment is related only to that aspect of it which applies to the recommendation that the government consider the immediate setting up of a national advisory board on development and automation. I feel that automation is one of the very serious and irrevocable developments in our economy to which sufficient attention has not been paid in so far as planning is concerned in connection with its impact and its implications.

Undoubtedly the problem has been well known for some considerable time. I should like to draw the attention of the house to a short quotation from a speech. I just want to quote the concluding paragraph because I think it is of interest. It reads:

> When we encounter problems of adjustment arising out of a national endeavour to reap the benefits that advancing technology, including automation, brings us, let us remember that most of these can be overcome by patient application, good will, and the co-operation of all sectors of our economy. Let us see such problems in their proper perspective, and let us remember that their solution is helping Canadians in facing up to a great challenge. And that is to replace:
>
> The hunger for power and
> the hunger of poverty
> with the benefits of peace and
> the benefits of progress.

[Mr. Speaker.]

This is a quotation from a speech that was made on March 23, 1956, by Mr. J. H. Dickey, parliamentary assistant to the minister of defence production, to the society for the advancement of management in Montreal. At least there was one Liberal in an official capacity in 1956 who recognized the advance of automation and who recognized that something should be done about it. But at that time the previous government did nothing about it. We are very glad of their interest now. It is also unfortunate that, at least to the best of my knowledge, no specific study or action is being taken by the present government to consider all the problems of automation as it is growing now, and undoubtedly as we will have it in the not too distant future.

Over the years the intensity of this problem has been forcibly brought home, or should have been brought home, to governments and to all parties, irrespective of whether they are in government or in opposition. I was most interested in reading the report of the Director-General of the International Labour Office on automation and other technological developments. This report was made in 1957 and made it exceptionally clear that those interested in the welfare of the country, the welfare of the economy and the problems that arise because of technological advances, should be doing something about these things. I just want to quote a couple of sentences. He said:

> There is no doubt that we have entered a new technological era. Automation and atomic energy, unfolding simultaneously, are already causing drastic changes in the world of industry and labour . . .
>
> Automation, atomic energy and other technological changes are dominating the labour and social scene in more and more of the older industrial countries and are a key factor in the development of the newly industrializing countries. They pose serious problems of economic and social adjustment for our industrial society and throw down a challenge to our whole civilization. True, many of these problems are not new. They arose in earlier stages of industrialization. Today, however, they seem to take on a more dramatic and a more drastic form.

The point I want to make is that we have had indications in the past as to the importance of this question of automation, and nothing has been done. It is for this reason I believe the hon. member for Essex East has done a great service to this House of Commons, and to the people of this country, in raising the issue as he has today through the medium of this amendment which suggests that the government do something about it. Apparently, although it may not be a tactic that is generally recognized as being acceptable, you have to keep pounding away at and hounding the government to try to get them to do the things which it seems so obvious they should be doing.

This matter has been drawn to the attention of the present government time after time, and yet we do not see any action. The Canadian Labour Congress in its memorandum to the government of Canada on January 28 requested a continued study of the effects of automation and the development of a program of training and retraining and other measures to assist in the re-establishment of workers displaced by automation and technological changes generally. Then, too, we have the submission to this government of the national legislative committee of the international railway brotherhoods, dated February 2, 1960. They stated:

> May we urge that at this session of parliament a committee of the House of Commons be established to investigate and report on the effects of technological changes and automation.

Not as a direct submission to the government—but I know that the Minister of Labour (Mr. Starr) must follow what is said by union leaders—we have the report of Larry Sefton, director of the united steelworkers of America at their national policy conference held in Montreal on April 21 and 22, of this year, dealing with this question of automation, its effects now and its probable effects on labour in the future. I know there are those people who think that labour is not prepared to accept progress, new technological developments and automation. That is why I think it is well worth while to draw to the attention of the house in connection with this matter the words of Larry Sefton in the statement I have just mentioned in which he states as follows:

> Workers and unions should not try to block technological progress, but a company or industry should be compelled to give consideration to human and social factors when it contemplates relocation of its operations. In many ways, unions can fill the breach with imaginative and constructive collective bargaining programs. These programs will not interfere with or question management's decision to relocate. They will, however, compel management to weigh the human costs involved in such moves, and not merely unload the burden on the workers and the communities.

In dealing with automation from the viewpoint of the worker—and he is the one who is really affected—the question naturally arises as to how labour is affected and why the workers are worrying so much about growing automation in our country of Canada.

I will say that for the workers there are five big questions about automation. First, what is it? Second, what can it do? Third, how far will it go? Fourth, how fast will it come about? Fifth, what will it do to present jobs? Those are questions that are in the minds of the workers and they are questions to which the workers and the trade unions are entitled to an answer.

The answer can come only either through the direct co-operation of industry, labour and government or indirectly through that co-operation through the medium of the procedure which is outlined by the hon. member for Essex East in the course of his amendment which we are now discussing. Surely we recognize the fact—or at least I hope so—that technological advance—such as that represented by chemurgy and automation—is not the brain child of one person, a thousand persons, a million persons or one country. It is the sum total of the understanding, the progress, the research and the inventiveness of all mankind. That being so, all must benefit.

That also is basically what the trade union leaders and the working people of our country are asking. They are asking that the government of this country make certain that the benefits of scientific advance are distributed equitably throughout all society in Canada. They are saying—as does this amendment—that management, labour and government must sit down together and do a great deal of planning.

It should have been started a long time ago but what is the use of recrimination and what is the use of going back and doing too much condemnation and damning? We cannot alter what has happened in the past. We must start from today. I think the need for it was clearly put even back in 1956 by the labour research department of the Canadian congress of labour. I just want to quote from their February issue of that year in which they state as follows:

> The problem of automation and employment in Canada can be solved. But it won't solve itself. Automation can give all of us more leisure without throwing any of us permanently out of work. It can give us a much higher standard of living. But it won't do either unless we act to make sure that it does.
>
> It can make goods cheaper; but only if monopolies don't get in the way.
>
> It can shorten hours; but only if employers don't decide that it's simpler and cheaper for them, individually at any rate, to lay people off rather than to spread work.
>
> It can give us much higher wages, but only if management and investors don't collar a lion's share of the increased productivity.
>
> It can benefit us in the long run; but only if we see to it that it benefits us in the series of short runs which make up the long run.

I believe those are sensible words and fair ones. But somebody must initiate the studies and the planning. Then, of course, when that is done there must be an initiating body in order to see that the benefits which accrue through scientific advance are equitably divided amongst all society. To me, at any rate, it appears that the only body that can initiate the planning and the action is the national government of the country. Hence

I am saying these few words and commenting on some of the various publications on this matter, in the hope that the seriousness of the problem of automation and the recognition of how directly it is going to affect all the working men and women of this country will result in our doing something about the problem now in the way of planning and action.

I believe that the basic principle was very well put by Norbert Wiener, professor of mathematics at Massachussetts Institute of Technology, Cambridge, when he pointed out as follows:

> We must always exert the full strength of our imagination to examine where the full use of our new modalities may lead us.

That is what we in this group urge that we do here, irrespective of party, or whether we sit on the government side or the opposition side, namely recognize the problem or the challenge. I am going to conclude with this thought because I want to say only a few words on it. It depends to a great extent on those who are now members of the House of Commons and on the party which now forms the government whether automation is going to be a curse or a blessing. A great responsibility rests on our shoulders in answering that question. It can be answered. The answer lies in how well we who have been elected to legislative office are prepared both to face up to and to pick up the challenge.

As I say, this matter has come to the attention of governments and parties over the years. We have never picked it up yet, but the time is now here when we have to pick it up because automation is no longer in the future, it is here. It is facing the workers, it is facing the unions, it is facing industry, and on a competitive basis. So I say let us decide by our thinking and our action on behalf of the people of Canada as their legislators whether automation will be a curse or a blessing. One way to give that answer is in this house, either today or tomorrow, by supporting an amendment which says that the government should consider following a certain procedure in order that proper studies can be given to these questions and recommendations made for the advice and consideration of the government.

Mr. J. F. Browne (Vancouver-Kingsway): Mr. Speaker, in following the hon. member for Essex East (Mr. Martin) and the hon. member for Vancouver East (Mr. Winch) in this debate I find it somewhat difficult because the hon. member for Essex East wandered all over the lot in what he was going to discuss, and in his amendment he makes it very difficult to discuss some of the remarks he made. However, that is not unusual for him. We heard a good deal of his versatility the other day when one of the hon. members told us how one day he was able to be a great agriculturist, the next day a great industrialist, and so on; but when he is able to jump from one problem to another, I think that adds even further to his powers.

I gathered from his remarks today that he was very much impressed with the governor of the Bank of Canada and felt that he had made some very excellent suggestions to the country. I do not think there are very many hon. members who would want to dispute that. I would only say that I think the hon. member for Essex East seems to have had quite a change of heart in his regard for the governor of the Bank of Canada, because as I recall it last year we were having a discussion with the governor of the Bank of Canada—

Mr. Martin (Essex East): It does not mean that a good man must always to be accepted, but in this instance he was.

Mr. Browne (Vancouver-Kingsway): The hon. member for Essex East always likes to say something which suits him at the moment, but he would not hesitate to change it tomorrow if it suited his purposes. I would like to refer to the industrial relations committee report of 1959, page 378, and refer to one or two of the remarks the hon. member for Essex East made about the governor of the Bank of Canada at that time. He said:

> I am suggesting that the investment committee—

That was the investment committee of the unemployment insurance commission to which he was referring, of which the governor of the Bank of Canada is chairman and responsible for.

> —by error of judgment, by incompetency, by conflict of function, contributed to the large loss which Dr. McMillan estimates in the amount of $63 million.

Mr. Martin (Essex East): And I believe that yet.

Mr. Browne (Vancouver-Kingsway): He did not seem to have a very high regard for the governor of the Bank of Canada at that time. I am glad to see he is showing more sense now and is coming round to saying that some of the things he said are not so bad after all.

In dealing with the economic policies of the government and what they have done to create employment and to maintain employment in Canada, I want to deal to some extent with the province of British Columbia, which is of course of direct concern to me, as indeed is the whole country. I believe that many of these problems cannot be solved

by any one national policy and they are going to require different things in different regions. Therefore I cannot accept the view of the hon. member for Essex East that setting up this one board is going to solve every problem in the country. Not only that, but I do not think the hon. member or the opposition appears to have been keeping up with what the government has been doing in this regard. Indeed, on January 26 the Minister of Trade and Commerce (Mr. Churchill) had this to say, as reported on page 334 of *Hansard*:

> Plans are being formulated in the department to set up an advisory council of business men who will be asked to give of their time and their experience in considering broad problems of trade, both export and import, and of industrial development. The decade of the sixties, if unmarred by warfare, will be a period of intensified competition in international trade. The active co-operation of many minds will be needed to seize and exploit the opportunities that will be offered.

That seemed to me to be a very sound policy in gathering together a group who would be qualified to deal with problems of trade and industrial development. I did not hear any commendation coming from the members of the opposition at that time. At times they seem to be quite fond of setting up various boards and committees; at other times they seem to be quite opposed to them, saying that we have too many and that it was the responsibility of the government to do these things.

However, I think here we have an example of a board that may be of use to the country, one composed of men with peculiar qualification to deal with one particular problem. I would think that if we were going to appoint one board, as the hon. member for Essex East suggests, surely it would do away with all of the advisers to the government at the present time. If these people are going to solve all our problems we would not need all the civil servants we have at the present time. In making the suggestion he has it seems to me that the hon. member for Essex East is reflecting on those advisers we have today in the civil service, and to be saying in actual fact, you are incompetent to do the job you are there for.

I want to deal with some of the ways the government has acted in order to help the provinces, and thereby help to create activity in the country and a high level of employment. There is a high level of employment in the country at the present time. I have had some figures prepared for me by the unemployment insurance commission, as I have been very interested in this problem in my own province of British Columbia. I had them draw up the latest figures which they have to show how many people are employed in the province of British Columbia and these figures are taken from the dominion bureau of statistics monthly labour force survey, January 1958 to March 1960. The number of people employed in British Columbia in January, 1958 was 482,000; in January, 1959 there was 492,000; in January, 1960 there was 507,000. In February of 1958 there were 482,000 persons employed; in February, 1959 there were 503,000 employed; in February, 1960 there were 513,000 employed. That again shows an increase. In March 1958 there were 487,000 employed; in March, 1959 there were 511,000; in March, 1960 there were 519,000 employed. So that there has been an increase in employment in every month in 1960 over what it was in the two preceding years.

This was brought about by the way the federal government has dealt with the province by putting money into the hands of people in the province and in creating economic activity in that way, I should like to put on record some of the financial arrangements which have been made between the federal government and the provincial government of British Columbia—for this purpose I have taken what the provincial government was receiving in unconditional and conditional grants from the federal government—in 1956-57, the last year of the Liberal government, and those estimated for 1960-61, our current fiscal year, in order to show how much money the federal government has put into the province of British Columbia to keep economic activity at a high level.

Under the heading of unconditional grants we have statutory subsidies which in 1956-57 amounted to $1,281,000 and will be the same figure in 1960-61. Under the tax rental agreement the province of British Columbia received in 1956-57, $55,730,000 and will receive in 1960-61, $65,396,000. Under equalization payments it received nothing in 1956-57 and will receive $5,825,000 in 1960-61. Under the stabilization agreement they received nothing in 1956-57 and will receive $754,000 in 1960-61. Under the 50 per cent share of federal income tax from certain power utilities they received in 1956-57, $1,415,000 and will receive in 1960-61, $1,509,000. The sub-total under this heading of unconditional grants, therefore, amounted in 1956-57 to $58,426,000; in 1960-61 it will be $74,765,000 which hon. members will, I am sure, agree is a reasonably good increase to have occurred in that space of time.

Under conditional grants and shared-cost programs the province received under the heading of agriculture the sum of $38,000 in 1956-57 and it will receive $118,000 in 1960-61. Under the heading of health it received in

1956-57, $3,210,000 and in 1960-61 it will receive $4,877,000. Under hospital insurance it received nothing in 1956-57 and will receive $21,443,000 in 1960-61. Under the heading welfare it received $5,971,000 in 1956-57 and will receive $10,331,000 in 1960-61. Under vocational training, it received $549,000 in 1956-57—

Mr. Speaker: Order. I am not sure I follow the connection between this set of figures which the hon. member is giving concerning federal payments to British Columbia and the resolution before us.

Mr. Browne (Vancouver-Kingsway): I was endeavouring to show that in fact the government was carrying on a policy designed to develop the economy along the lines indicated in the amendment. Let us look at the terms of the amendment. It proposes that a board should be constituted for the purpose of developing an economic policy designed to create a high and stable level of income and employment, and I was trying to show that the federal government is already carrying out such a policy at the present time with the help of very capable advisers, and that the setting up of such a board as is recommended by the hon. member for Essex East is completely unnecessary and would be only a waste of the taxpayers' money. If Your Honour agrees with that line of thought, I should like to complete putting these figures on the record.

I am suggesting that one policy for the whole country on a national basis would not be adequate, because the creation of high levels of employment in particular areas requires special means. I am suggesting that one of the things we have to do is to put the provinces in a position where they can deal with particular problems, and that this in itself would tend to assure a high level of employment. I am suggesting that these payments which the federal government is making to the province of British Columbia are helping British Columbia to deal with this problem and, as I have pointed out, employment in British Columbia is at the highest level in its history.

I believe I was dealing with the item of vocational training. I might point out that this has a direct bearing on the maintenance of a high level of employment, because one of the things we need to do in order to get people working, as has been pointed out by the hon. member for Vancouver East, is to put them in a position where they are able to take advantage of the opportunities which are available as a result of technological changes; to enable them to change their jobs if the advance of machinery should make that necessary. Thus, this particular item of vocational training is one which has been advocated by many welfare organizations.

I believe it is very admirable, and I am sure the whole house will recall that the present Minister of Labour (Mr. Starr) has worked very actively in this regard. In fact, I was just reading in *Hansard* of February 1 of this year an exchange which took place on this subject between the minister and the hon. member for Essex East. The hon. member for Essex East asked the following question as reported on page 609 of *Hansard:*

> Has the Minister of Labour received a report from the vocational training advisory council respecting the vocational training program for unemployed persons under federal-provincial cost-sharing arrangements?
>
> What is being done by the federal government to encourage the fullest possible use of this program to provide new job opportunities for jobless persons with no formal training in a specific trade?

To which the Minister of Labour replied as follows:

> This program was discussed at the last meeting of the vocational training advisory council held on December 3 and 4, 1959, and the views of the council, as recorded in the minutes of the meeting, have been received.
>
> The federal government is constantly urging provincial governments to make the greatest possible use of the federal-provincial cost-sharing program provided in schedule "M" of the special vocational training projects agreement for training of unemployed persons.

Mr. Deschatelets: May I be permitted to ask the hon. member for the reference?

Mr. Browne (Vancouver-Kingsway): Yes, that was on February 1, 1960, as reported on page 609 of *Hansard.* I think that will underline the connection between some of these figures and work being carried out directly by the provincial government in solving the problems to which the hon. member for Essex East has directed attention.

As I was saying, under the heading of vocational training the province received $549,000 in 1956-57 and in 1960-61 it will receive $1,553,000, almost three times as much. Under highways and transportation, another field which is of great importance in permitting the transport of goods, and so on, thereby assuring a high level of economic activity, the province received $6,680,000 in 1956-57 and will receive $18,872,000 in 1960-61. Again, that is about three times as much. Under the heading of resource development the province received $846,000 in 1956-57 and will receive $2,257,000 in 1960-61. Under the heading of slum clearance it received nothing in 1956-57 and will receive $700,000 in 1960-61. Under civil defence it received $187,000 in 1956-57 and will receive $450,000 in 1960-61. Under the heading of municipal winter works it received nothing in 1956-57 and will

receive $1,335,000 in 1960-61. Under the heading of "other" it received $10,000 in 1956-57 and will receive nothing in 1960-61.

The grand total of payments made by the federal government to the province of British Columbia in 1956-57 amounted to $75,917,000, and in 1960-61 it will be $136,701,000.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Browne (Vancouver-Kingsway): Mr. Speaker, at six o'clock I had just finished putting some figures on the record. I was showing how the payments by the federal government to the province of British Columbia had almost doubled since this government came into office and had thereby created a high level of economic activity and a high level of employment in the province of British Columbia by putting the government in a better position to deal with its problems. This policy has been in line with what most of the labour organizations have advocated in the country. I hold in my hand a labour research publication of the Canadian congress of labour, January to April, 1960. These are some of the suggestions they made at that time as to what in their opinion would create a high level of employment:

> Other possible employment stimulators are tax cuts, bigger income tax exemptions, higher social security payments, more aid to farmers, more aid to underdeveloped countries.

Generally speaking, when I have heard representations of this kind made my first reaction has been to say: That is all very well, but if you want the government to spend more money and if you want lower taxes, it is utterly impossible. But in making those statements to the labour organizations I entirely underestimated the capabilities of our present Minister of Finance (Mr. Fleming) who, I might say is, in my opinion, the best Minister of Finance we have ever had in this country or are ever likely to have.

In addition to the payments made to the province of British Columbia, on a nationwide basis social expenditures on the part of the government in 1959 amounted to $1,500 million as compared with $1,000 million for the last year that the Liberal government was in office, or a 50 per cent increase over all in expenditures of that nature. In 1956-57, the last year the Liberals were in power, the federal government's contributions to all of the provinces, not including payments to individuals, amounted to $689 million. For the fiscal year 1958-59 the amount was $1,212 million, or an increase of 76 per cent. In the light of that, it would seem almost impossible that we could have had tax cuts at the same time.

I have said many times that the average taxpayer in Canada is paying less in taxes now than he paid when the present government came to office. To refresh my memory on this the other day I obtained a copy of the T-1 short form income tax return for 1956 and for 1959, and I shall just pick out one or two examples at random to show that notwithstanding those tremendous payments that have been made by the federal government to the provinces, notwithstanding the fact that the Minister of Finance has been able to present a balanced budget this year and in fact forecast a slight surplus, we were able at the same time to enjoy tax cuts. As I say, I shall pick out a few examples at random.

In the year 1956 a person with a taxable income of $1,300 paid $200 in taxes; in 1959, at the same scale, he paid $184. A person with a taxable income of $1,500 in 1956 paid $234; in 1959 he paid only $217. A person with a taxable income of $1,700 in 1956 paid $268; in 1959 he paid $250. Let me go up into a higher bracket. A person with a taxable income of $3,000 paid $509 in 1956; in 1959 he paid $494. This will give some indication of how the people of this country have benefited since the present Minister of Finance has taken over directing the monetary policy of this country.

Let me come back to some of the remarks made by the hon. member for Essex East. Perhaps they may have stemmed from a press conference in which he appeared some time ago, and in which he first dealt with some of the remarks made by the governor of the Bank of Canada which, as I said today, he appeared to be in favour of. I still do not know whether he was or not because he never cares to commit himself too definitely to any policy so he can come back to the other side if it suits him. In the press conference, of which I have a transcript here, of Tuesday, February 2, in which the guest was Hon. Paul Martin and the panel Frank Swanson, Ottawa *Citizen,* chairman; Tom Gould, Victoria *Times;* Peter Dempson, Toronto *Telegram;* and Arthur Blakely, Montreal *Gazette,* Mr. Gould asked a question, which appears in the middle of the transcript, but he did not get a very satisfactory answer. He went on to say:

> But this is a much bigger thing. Mr. Coyne, the governor of the Bank of Canada, told us that Canadians are living beyond their means.
>
> Mr. Martin: Yes, I read Mr. Coyne in Winnipeg. And I read Mr. Fleming's budget speech, as it were, before the Canadian Club in Toronto a few weeks ago. But I also read the speech of the Minister of Trade and Commerce, which took serious issue

with what Mr. Coyne had said, and with what his own colleague, has been preaching for the last month or so.

Mr. Gould: Does the Liberal party take issue with both of them?

Mr. Martin: Well, the Liberal party is studying. We don't have all of the facts that are available to the governor of the bank and to Mr. Fleming, but we are studying these facts, and when we have arrived at a conclusion, we will certainly unhesitatingly state our position.

They certainly do not have all the facts in some of the statements they make. If what we heard here this afternoon is unhesitatingly stating the position of the Liberal party I am afraid I would hate to see the hon. member wavering around on anything because he was in the position where the Liberal party had considered the thing for some considerable length of time. The only thing they can decide is that they have nothing to suggest. We had better get somebody who knows something about it, who has looked into the matter and is in a position to take the place of the opposition and make some representation to the government because the opposition seems to be entirely inept in following any kind of a course.

I should like to say that in my opinion the government is doing a good job at the present time. They have competent advisers. As I have already said, we have the most competent Minister of Finance we have ever had. The setting up of a board such as suggested by the hon. member for Essex East and the Liberal party would be entirely useless and a waste of the taxpayers money.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, if we were to listen to statements made both inside and outside the house by members of the present government, including the hon. member who has just resumed his seat, we would be led to believe that never in our history has our country witnessed better times and a more buoyant economy.

Some hon. Members: Hear, hear.

Mr. Robichaud: I hear applause coming from the government side. I hope this same applause will be repeated when I give them not only the facts but the truth.

It was the Prime Minister (Mr. Diefenbaker) who said in this house last year—and here again our hon. friends on the government side may applaud—that Canadians worked more, earned more, saved more and spent more than in any year in history. In order to complete the statement the Prime Minister should have added: If we have partially emerged from the recession of 1958—

[Mr. Browne (Vancouver-Kingsway).]

An hon. Member: What page are you on?

Mr. Robichaud: —if 1958 and 1959 are recovery years, unemployment has remained abnormally high and we have failed to cope with this important aspect of our economy. And, Mr. Speaker, there is certainly no improvement in 1960.

The purpose of the amendment introduced this afternoon by the hon. member for Essex East (Mr. Martin) is to bring to light the failure of the present government to reach this major goal of economic policy which cannot be achieved without a high and stable level of employment and income. There is no question in our minds that employment has not kept pace with individual production during the past two years. The hon. member who has just resumed his seat spoke of the high level of employment in his section of the country, British Columbia, and referred to it as the highest level of employment in its history. What he failed to reveal was the percentage of employment compared with the labour force even in British Columbia today.

I have here the latest release available to us concerning the employment situation in Canada. This release from the Department of Labour and the dominion bureau of statistics shows that in the Pacific region as of March 17, 1960 there were 77,309 registrations at national employment service offices of people seeking employment. This figure compares with 74,333 as of March, 1959, an increase of 2,976 in a province where employment has reached the highest level in its history.

When at the peak of what is called a buoyant economic period the number of live claims for unemployment insurance benefits as of April 30 last reached 714,000 compared with 610,000 at the same time last year, an increase in the number of unemployed of 104,000 or 17 per cent, and when the present figure is only 8,000 below that for April 30, 1958; when we were supposed to be in a period of full recession, there must be something wrong somewhere with our Canadian system and with the policy of the present government. Furthermore when we consider the number of unplaced applicants without work and seeking jobs the situation is still worse. In fact, the figures obtained from the national employment service reveal that as of April 30 of this year the number of persons registered for work totalled 756,400 compared with 661,000 last year or an increase of 15 per cent over April 30, 1959.

I obtained these figures on Friday last from the office of the Minister of Labour (Mr. Starr) and I could not understand the statement made this afternoon by the hon. member for Vancouver-Kingsway (Mr. Browne) when he said that he had had his figures prepared for

him by the unemployment insurance commission inasmuch as only last Thursday, May 19, the Minister of Labour told hon. members that the figures would be available from the minister's office and not from the unemployment insurance office.

If we go back to the recession period of 1958 we find that the number of registrations, 747,000 as of April 30 of that year, is exceeded by 9,400 on the same date this year. The fact is that there is unemployment. There is heavy unemployment almost everywhere and, as Calvin Coolidge said in 1931 in speaking of conditions in the United States, we can say of Canada today: the country is not in good condition. The present government has failed to implement a bold and definite program which would be in line with the promises made—

Mr. Speaker: Order. The hon. member will recall that when we were considering the relevancy or propriety of the amendment I stated that the problem of unemployment in so far as government financial policy is concerned had been resolved by a vote of the house. I do not object, of course, to the hon. member pointing up the state of employment as relevant to the amendment to establish an economic board but I would ask him not to get into matters that have already been debated and concluded.

Mr. Robichaud: Mr. Speaker, I want to abide by your decision but I have to make reference to the unemployment figures, especially after what was said by the hon. member for Vancouver-Kingsway this afternoon, before coming to the main subject under discussion, the setting up of a national advisory board on economic development and automation. I want to assure you that my remarks as they refer directly to the unemployment situation will be limited.

The complacency of the present government in coping with the situation and its failure to take the necessary measures to improve the unbalanced position arising out of the increase in national income and the increase in the percentage of unemployment have led the opposition to introduce the amendment now under discussion. We recognize that full employment, desirable as it may be, is not possible in a country like ours. The fact remains, however, and I want to say this again, that in the last two years production has shown a trend to move above its pre-recession peak and during the same period employment continued its downward trend. In fact, in December, 1959, production had increased by 5.6 per cent above its pre-recession peak while employment was down by 3.1 per cent.

It is evident that a high and stable level of employment and healthy economic position cannot be achieved by the implementation of the policies of the present government. We therefore have every reason and every right to suggest to the government the setting up of a national advisory board on economic development and automation. The government has failed so far to listen to the suggestions which have emanated from this side of the house in the last few months, and as we have a strong desire to reduce unemployment to a minimum we are placing before the government a new suggestion which we feel could provide badly needed guidance and advice to enable the government to cope with this national problem.

In the few minutes at my disposal I should like to deal more specifically with the amendment as it affects the Atlantic provinces. This is an area, a section of the country which, unlike many others, is not blessed with the kind of natural resources that spurt out of the ground and produce large incomes without too much imaginative initiation or without too risky capital investment. The urgent need for getting together the representatives of industry, labour, agriculture and the universities is more evident in the Atlantic provinces than in any other areas of Canada. In fact, a step in that direction was taken a few years ago with the formation of the Atlantic provinces economic council, and the results of co-operation with that organization are already being felt in some sections of the Atlantic provinces. In no other section of this country today is there a more urgent need for this than in the Atlantic provinces. Our 105,000 unplaced applicants, as of April 30 of this year, reaffirm the fact that our percentage of 14.5 per cent of our labour force seeking jobs remains close to 50 per cent above the national average and almost 85 per cent above the Ontario average.

I know that I would be called out of order if I chose to discuss, in all its detail, the unfortunate unemployment situation in the Atlantic provinces. However, the present picture is a clear and an unquestionable evidence of the failure of the government to meet our needs and resolve our problems. How can the government, how can the Prime Minister justify his attitude in view of the existing conditions? I ask again, is the government wise when, at this period of unexceeded unemployment, it advertises opportunities for immediate employment for carpenters, painters, bricklayers, and so on. How could the Prime Minister—

Mr. Lambert: I rise on a point of order, Mr. Speaker. The members of this house seem to have heard all of this about a fortnight ago when a similar motion to go into committee

of supply was being discussed. It is my understanding, following Your Honour's ruling this afternoon and the interpretation of the rules of the house, that this practice should not be continued. I would submit to you, sir, that what we are now hearing is entirely out of order.

Mr. Robichaud: I am surprised that the hon. member would prevent a member from the Atlantic provinces from bringing forward—

Mr. Speaker: The hon. member is raising a point of order on the relevancy of debate. Before the hon. member who has the floor speaks to the point, may I remind him that the point refers undoubtedly to the amendment which was moved on the fourth supply motion, which was that a comprehensive plan and program of federal assistance be given to strengthen the basic economy of the Atlantic provinces. My conception of this debate would be that the hon. member should relate the setting up of this committee to its effect on the Atlantic provinces rather than to the policy of the government as such.

Mr. Fleming (Eglinton): May I say a word on the point of order? I understand that on the supply motion on May 2, the hon. member for Gloucester (Mr. Robichaud) made the same kind of speech as he is making now, and that speech is to be found at page 3477 and following of *Hansard* for that date. It was the same kind of speech, the same theme, as he is giving now.

Mr. Robichaud: On the point of order, I may say it is true that I referred to one point which I have raised in a previous debate, but only one sentence. I want to relate it to a statement which has been made by the Prime Minister a few days ago in London, and which is altogether different from the point I raised in the previous debate.

Mr. Speaker: I think the hon. member would be in order if he could, in dealing with the special interests of the Atlantic provinces, he could relate them to the setting up of the proposed committee. My hope is that all hon. members will refrain from repetition of other debates which have taken place on unemployment, and specifically one which was directed against the government's financial policy with regard to unemployment. In so far as hon. members deal with unemployment they might deal with it as a reason or basis for the establishment of the committee which is proposed in the amendment.

Mr. Robichaud: This is exactly the point to which I was coming. I want to refer to the last statement made by the Prime Minister when he said that we shall be able to welcome and absorb into employment many tens of thousands of immigrants. We are calling today for the setting up of a national advisory board to discuss economic development and automation. How can we relate this statement by the Prime Minister to the present situation? Is the Prime Minister, in his complacency, refusing to recognize the fact that Canada cannot absorb into employment today hundreds of thousands of her own labour force? How can he make such a definite assertion when there is heavy unemployment in every region, in every locality in this country? He said, when asked a question by the Leader of the Opposition (Mr. Pearson) that there was no necessity for any comment. I challenge him to repeat such a statement before the 700,000 unemployed in this country and the 100,000 unemployed in the Atlantic provinces.

I agree that the question before us at this moment is, what could result from the recommendations of a national advisory beard composed of representatives of industry, labour, agriculture and the universities? I am convinced that many of the suggestions evolving from such a board would be in line with many of the recommendations which we of the official opposition have sought to bring to the attention of the government in the last few months. I cannot help—

Mr. Regnier: Mr. Speaker, on a point of order; the hon. member is reading his speech.

Mr. Robichaud: Mr. Speaker, I admit that I am referring—

Mr. Speaker: The hon. member has heard the point of order raised. I shall be glad to hear what he has to say.

Mr. Robichaud: I certainly have heard the point of order raised. I am referring to notes which I have here on my desk, just as 99 per cent of the members of this house are doing.

I cannot help but remind the government, and particularly the representatives from the Atlantic provinces, of the pledge which was included in their Atlantic resolutions and which they failed to support when they had the opportunity to do so in this house. In order to achieve a high and stable level of employment in the Atlantic provinces this government must give a more comprehensive and co-ordinated approach to the establishment of new industries in that particular area. This goal may only be reached—

Mr. Speaker: I am sorry, but the hon. member did not understand my earlier reference to the scope of the debate. He is arguing now that this government should do something or other with respect to the Atlantic provinces, and that is not the subject matter

of this resolution. This resolution asks the government to consider setting up a committee. I hope the hon. member will address himself to that problem.

Mr. Robichaud: I am referring to the Atlantic provinces, just as the hon. member for Vancouver-Kingsway, before recess and from eight o'clock to 8.15, referred to his province of British Columbia. We have problems in the Atlantic provinces and we feel that those problems can be met by the establishment of a national advisory board on economic development and automation with representatives from government, industry, labour and agriculture. Such a board would have many suggestions to make to the government. I feel that I have a right to bring to the attention of the government certain recommendations which could be made by such a board. This is what I am endeavouring to do now. As stated in the Gordon commission report:

> The long term and ultimately effective solution of the problem must be expected from further resource development. The core of the problem is the creation of conditions which will attract capital into such development.

I have no doubt that a national advisory board, such as that suggested in the amendment introduced this afternoon by the hon. member for Essex East, would bring in suggestions like the one which is included in the Gordon commission report.

Capital will not be attracted into such development until such barriers as exist today—such as heavy taxes, high cost money, unrestricted freight rate structure and many others—are removed by the application of bold and comprehensive measures such as those which could be suggested by an advisory board like that mentioned this afternoon.

Mr. Fleming (Eglinton): I rise on a point of order, Mr. Speaker. The hon. gentleman made the same speech and dealt with the same matters in his speech on May 2. Is it proper to have the same speech made again? Surely if it was relevant to the amendment then under debate, either this speech or the amendment now under debate must be out of order now.

Mr. Speaker: I must say that I agree that we have been over this ground on the specific amendment which was moved on the fourth supply motion to which I have made reference.

Mr. Fleming (Eglinton): On May 2.

Mr. Speaker: The hon. member does not seem to me to be contributing anything new. He knows that it is not consistent with our practice to repeat, to rethresh or restate a proposition that has been disposed of by the house.

Mr. Robichaud: The suggestions which I am now bringing to the attention of the house, Mr. Speaker, are altogether different and are introduced before the house in an altogether different manner from that in which they were introduced in the debate which has just been mentioned by the Minister of Finance (Mr. Fleming). I understand that the hon. member for Vancouver-Kingsway said the Minister of Finance was the best minister of finance we ever had.

Some hon. Members: Hear, hear.

Mr. Robichaud: I agree that he is the best Minister of Finance to raise points of order that ever sat in the House of Commons. He is also the only Minister of Finance who ever called a Speaker of the house back after he had left the chair.

I said earlier that our area was not blessed with the kind of natural resources which spurt out of the ground and produce large incomes. But we have in the Atlantic provinces thousands of miles of coastline, the sea and a shoreline which provide our population with excellent harbours in the proximity of choice fishing grounds. When I am dealing with this problem concerning the fishing industry of the Atlantic provinces I hope that at least for once the Minister of Finance will remain in his seat and not raise points of order.

Mr. Fleming (Eglinton): He will do so if the hon. member will for once follow the rules.

Mr. Robichaud: There is in the Atlantic provinces a resource which is not exploited to its full capacity. The fishing industry has been struggling for generations and has been partially developed by the hard work, the ingenuity and, I should add, the reasonable amount of good luck of the parties interested. The fishing industry means as much to the population of the Atlantic provinces as wheat means to the prairie farmer and as agriculture means to the farmers of Ontario and Quebec.

Mr. Regnier: I rise on a point of order, Mr. Speaker. The hon. member is still reading his speech.

Mr. Robichaud: I realize, Mr. Speaker, that hon. members on the government side are not pleased when we of the official opposition try to bring to their attention problems concerning our respective areas.

Mr. Speaker: That is not the point of order which has been raised. The point of order,

according to the hon. member who has raised it, is that the hon. member for Gloucester is reading a previously prepared speech. As he knows, that procedure is contrary to the practice or, I should say, the approved practice of this house. I will not say it is contrary to the practice because, if I am not mistaken, I have seen other hon. members who appeared to read their speeches. If the point of order is taken, the hon. member should observe the proprieties and not do what was complained of.

Mr. Robichaud: I will endeavour, Mr. Speaker, to comply with the rules and requirements of this house. As I have said before, I have been referring to notes from time to time and I intend to carry on.

I was just referring to the assistance which is being given by the federal government to the fishing industry. When one considers the total assistance given to fishermen for the years 1946 to 1959, including all assistance that comes under the jurisdiction of the federal government—including all the direct assistance programs such as in the construction of draggers or long-liners, in the Newfoundland bait assistance operation, the assistance given in the construction of bait freezing and storage facilities, assistance in transportation of British Columbia frozen herring to the maritimes to be used as bait during the bait shortage period, assistance through the agency of the fisheries price support board such as the price support purchasing activities; assistance given under the salt assistance to the producers of dried and salt fish; assistance given under fishermen's indemnity fund and the bounty for the destruction of harbour and grey seals—we find that in the years I have mentioned from 1946 to 1959 the total amount distributed by the federal government comes to less than $13 million.

When during the same period we take into consideration the amount paid under the Agricultural Prices Support Act, which alone was over $100 million paid by the federal treasury, and to this could be added the many hundreds of millions of dollars paid for grants to agricultural fairs, for premiums on high grade hogs, for grants on cheese and cheese factories, for payments made under the Animal Contagious Diseases Act and for many other measures of assistance given by the federal government, through the Department of Agriculture—we must admit that the fishing industry as a whole, and particularly in the Atlantic provinces, is not receiving its adequate share of attention and of assistance from the federal government.

A national advisory board, as suggested in our amendment, composed of representatives of industry, including the fishing industry, labour, agriculture and universities, could devote to this most important problem the consideration which it deserves.

If the Canadian fishing industry is to improve its efficiency it must have better attention and increased assistance from the federal government. As I have stated earlier, the potentials are available. We have the coastline, the harbours and the fishing grounds. With proper planning and adequate assistance I would venture to state that we in the Atlantic provinces could supply facilities to an additional 3,000 or even 5,000 to 8,000 more fishermen whose lucrative production would provide work to an additional 15,000 to 20,000 shore help in the processing and packaging of fish for market.

Such a proposal, when implemented—and I repeat that the potential is available—would reduce by 25 per cent the number of unemployed in our Atlantic provinces at this particular period of the year. I hope to have more to say on this matter when the estimates of the Minister of Fisheries are introduced for discussion.

If our country is experiencing today an unprecedented period of development and of economic activity, as is asserted by hon. members opposite, the fact remains that at every opportunity we hear government supporters referring to the hope which lies ahead, to the vision which is being offered by the Prime Minister or by the Minister of Northern Affairs and National Resources (Mr. Hamilton). Never since the period of the hungry thirties has there been a more urgent need for the setting up of a national advisory board to the end that the most effective use of the resources of Canada, and more particularly its manpower resources, may be assured in the interests of public welfare.

The government has failed to meet the situation and as a result the unemployment problem is growing from year to year. I firmly believe that the time has come for the setting up of such a board whose duty it would be to advise the government and to recommend proposals regarding economic development and automation. Representatives of industry, labour, agriculture and of our universities are the only ones in a position to submit proposals which would safeguard our economy and protect our labour force.

On every occasion when we of the official opposition seek to bring forward suggestions we are smeared by members on the government side and are accused of playing politics or of being prophets of doom and gloom. I would—

Mr. Fleming (Eglinton): Mr. Speaker, on a point of order, is it proper under the rules of this house to say that some hon. members are trying to smear other hon. members? Surely it is a reflection on hon. members which is not in accordance with the rules and practice of this house.

Mr. Martin (Essex East): Mr. Speaker, on the point of order I should like to say this. I think this last intervention of the Minister of Finance (Mr. Fleming) clearly indicates that he has not raised a point of order but has raised his voice at this time for only one purpose and that is to interrupt the hon. member who is trying to put forward the point of view of this party. It is about time this was stopped.

Some hon. Members: Oh, oh.

Mr. Speaker: An hon. member in rising to speak to a point of order should not impute improper motives to any hon. member who has a perfect right to rise at any time on a point of order. The rule of debate is that members shall refrain from making statements which are offensive; but this rule has not been strictly interpreted, particularly when it is not applied to an individual. I think that while it is a matter of interpretation of the rule, I could not intervene on the kind of statement which has been made in general terms about hon. members.

Mr. Robichaud: Thank you, Mr. Speaker.

As I have mentioned once before in this house, the Atlantic provinces offer an outlet, a market of one and a half million of population, for the production of central and western Canada. In return we of the Atlantic provinces must rely on export markets for 70 to 75 per cent of our production. Our exorbitant freight rate structure prevents us from competing favourably with the more fortunately located and endowed central Canadian region. As an outlying part of Canada our industrial development is handicapped by the long haul and the freight rate making policy which tend to accentuate the decline of manufacturing in our region instead of helping us properly to participate in the national trend of development which exists in other regions of this country.

When we of the opposition claim for a new deal, a more favourable sharing agreement for the construction of the trans-Canada highway, our Atlantic provincial premiers, friendly to the present administration, remain silent and seem satisfied with the present arrangement; this notwithstanding the fact that our construction cost of the highway on a per capita basis is at least double what it is in any other section of Canada, with the probable exception of British Columbia.

If it was the intent of the fathers of confederation that the maritimes should have cheap access to the markets of central Canada it remains the responsibility of the central government to meet this specific problem which requires a solution if our transportation system is to serve the national interest without prejudice to the industries of other areas, and a national advisory board as we are suggesting could make suggestions to the government to this effect.

We of the Atlantic provinces offer an ideal opportunity for an era of co-operative effort to improve our living conditions, and this cannot be achieved by first aid of political expediency or of economic expediency which do nothing else but explore the surface and neglect the core of the disease. The patchwork effect of attempts made in the last decade, both by the present federal administration and by the previous administration, has had some influence in equalizing our pace of progress; but nevertheless there is continued evidence of lack of permanency, lack of sound permanency, which is essential if we are to provide the solution to our economic problems confronting the Atlantic region today.

Mention has been made of capital projects such as the Prince Edward Island causeway and the Chignecto canal. For the last three years the Minister of Transport (Mr. Hees) has been referring in this house to a preliminary engineering estimate of the Chignecto project which is being prepared by the Department of Public Works. On March 4 of last year, as reported on page 1593 of *Hansard,* the minister advised the house that arising out of the work which had been done to date he had asked that certain other estimates be worked out. Again on May 26 of last year he reported to the house that his department was giving close study both to the economy and the engineering feasibility of this project. Then on June 11 last year the minister referred to estimates—

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

Hon. Michael Starr (Minister of Labour): Mr. Speaker, in my remarks I intend to address myself to the amendment before us at this time. However, certain statements have been made by speakers of the Liberal group who have participated in this debate, by the mover of the motion and by the hon. member for Gloucester (Mr. Robichaud) who has just sat down. The statements in question had to

do with the statistics which are issued showing those registering at the national employment service, and the hon. member has painted a picture which I feel should be rectified at this time.

I want to point out to the hon. member that in analysing the figures of those seeking employment the economists find that 48 per cent of those registered are seasonal workers. One of the reasons why these figures are to a great extent higher now than they have ever been with regard to those seeking employment during the period December 1 to May 15 is that the seasonal benefit formula was changed so that they could more readily qualify to draw these seasonal benefits. Also the actual formula of benefits as against contributions has changed in that those who made six contributions can draw five benefits, whereas under the former government it was two for one in the same way as the regular formula. Consequently more people are able to draw these benefits as a result of the change of formula which this government has brought about.

In addition to that the two additional months during which people can draw benefits have a great deal to do with this; and the hon. member must not forget that in the Atlantic region the people he talks about were never registered for employment under the previous administration because fishermen have been brought in to the scheme by this government and they are now able to register for benefits.

Mr. Martin (Essex East): It was the former government which brought fishermen under the Unemployment Insurance Act.

Mr. Starr: The hon. member for Essex East can hold his patience—

Mr. Robichaud: Would the hon. member permit a question?

Mr. Starr: I did not endeavour to interfere while the hon. member for Essex East (Mr. Martin) was speaking this afternoon, although more than 50 per cent of it was irrelevant to the amendment he ultimately brought in. Let us look at this amendment which has been submitted. It reads:

> This house recommends for the consideration of the government the immediate setting up of a national advisory board on economic development and automation with representatives of governments, industry, labour, agriculture and universities, for the purpose of developing economic policies designed to achieve a high and stable level of income and employment.

The hon. member for Laurier (Mr. Chevrier) on March 2 of this year submitted in this house 25 points on behalf of the Liberal group, and the second point read as follows:

> Canada should have a national advisory board on economic development, automation, and employment to help deal with long term problems of production and employment.

This was what the opposition suggested on that occasion on March 2. Now they come back with the same suggestion. They have nothing new to offer. This is a method by which they feel they can have another committee set up. It was the practice of the former government to set up committees, advisory committees, and advisory committees to the advisory committees. That is one way of shirking the responsibility of government. This government does not intend to set up committees in order to shirk its responsibilities. This government feels it has a responsibility toward this problem, and intends to take action in order to do everything possible to relieve the problem.

I am sure hon. members on both sides will have studied the amendment with interest. Coming from the source it did, it is worthy of consideration. At least it represents a positive suggestion and, as such, it is welcome. However, I say it only repeats what was said on March 2. Many other ideas have been brought forward by the hon. member for Essex East on previous occasions on the very same topic. This is a topic which takes a great deal of his attention, because he feels it is one on which he can make political hay, and he has admitted that, probably, outside the house quite often.

Mr. Martin (Essex East): I rise on a point of order. Surely the hon. gentleman realizes that that is imputing a motive, which is contrary to our rules. I ask the minister to withdraw. The reason I bring forward the subject of unemployment is because this government is shirking its responsibility.

Mr. Speaker: The rule to which I was referring a minute ago is standing order 35 which says:

> No member shall speak disrespectfully of Her Majesty, nor of any of the royal family, nor of His Excellency or the person administering the government of Canada; nor use offensive words against either house, or against any member thereof No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

A good deal of latitude has been used in the interpretation of that rule, but I think that generally we have refrained in this house from imputing motives to members in the discharge of their duty. That is the substance of what the hon. minister has just said about the hon. member for Essex East, that his actions here were actuated by motives that are, perhaps, not improper; but as the hon. member has taken offence, I would suggest a modification.

Mr. Starr: I will abide by that, although I am surprised that the hon. member would take offence to a description such as I have given of him. After all, he does profess to be an expert on agriculture, and I think that making hay was appropriate in describing it.

Mr. Martin (Essex East): You are setting a good tone. Keep on that level.

Mr. Starr: Anyway, the hon. member remains unswerving in his devotion to the principle that anything can be done as long as we set up a committee to do it. I think the hon. member for Essex East looks at the economy of this country through dark-coloured glasses. He has advocated a great many committees, advisory committees, special committees, and now this one which is put forward today.

Let us take a look at this latest creation of his. Apparently this is to be one of those advisory bodies which would deal with the whole field of national development. That would take in a great many fields of endeavour. At the same time, so that this committee might not have too easy a job, the hon. member throws in automation for good measure. On that committee he wants representatives of government, industry, labour, agriculture and the universities to serve.

On that ground alone, I submit that because of the diversity of interests, the job of the committee would be impossible from the very outset. What would its job be? It would be to develop economic policies. Surely what that would amount to would be the setting up of a cabinet outside the cabinet; a committee set up as a government outside the government, bringing forth policies on a national level. This would be—

Mr. Fleming (Eglinton): Liberal policy.

Mr. Starr: I know that the setting up of such a large and unwieldy committee is a technique often used by governments that wish to evade their responsibility but, as I said earlier, this government does not intend to evade its responsibility. This government intends to continue to deal with the things for which it is responsible. One can, it is true, visualize the necessity of setting up committees from time to time to deal with certain specific matters, but I find it difficult to justify the necessity for setting up any group with such a wide and sweeping field of operations as is suggested in this resolution.

What does the amendment seek to do? The objective is, of course, a laudable one, the achievement of a high and stable level of income and employment. At this stage, two points arise in my mind for consideration. I maintain, first, that in setting this kind of objective the mover of this amendment is once again simply trying to get in at the back door when he could not get in at the front door. When it comes to designing new costumes for old issues the hon. member for Essex East is an expert, as he has proved time and time again in this house. Despite one disappointment after another he shows an uncanny ability to lead his colleagues of the opposition down the same trail of depression and doom and gloom time and time again.

I say this in all sincerity, because here is a member of this house who has on many occasions previously disregarded any statistical figures of any kind on employment in this country and has come out with statistics of his own doubling the figures which those who have the proper sources for compiling this material have put out.

Mr. Martin (Essex East): On a point of order. The hon. gentleman said I have come forward with statistics of my own. I would ask him to withdraw that remark or prove his charge.

Mr. Starr: Mr. Speaker, during the last session of parliament the hon. member for Essex East time and time again stated on his own authority that there were more than a million people unemployed in this country—

Mr. Martin (Essex East): I ask the hon. gentleman to point to the occasion when I said that. The minister is confused. I said at that time that because of the policies of this government a projection into the future would suggest that there might be unemployment at those levels, and I was not very far out. They were projections and statistics, as a matter of fact.

Mr. Starr: When the hon. member for Essex East says he was not far out, evidently figures do not mean anything to him because he was out more than one quarter of a million.

Mr. Martin (Essex East): Give us the facts.

Mr. Starr: Those projections of what he said would happen had a great deal to do with dampening the spirit of the economy of this country.

Mr. Martin (Essex East): Oh.

Mr. Starr: The hon. member should not underestimate himself. After all, he was a member of the treasury benches for many years. He came to be known as a national figure and there are people who take for granted that what he says may be true, even though he endeavours to paint a picture different from what is actually happening in

the country; and it has a psychological effect on the people of the country. I would not be one bit surprised if, because of his statements and his many predictions, many sales of automobiles were lost in his own city of Windsor. I would not be one bit surprised if that type of prediction caused unemployment in that city.

Mr. Martin (Essex East): They are being lost now by the policies of this government.

Mr. Starr: What are the facts in respect of the economy of this country? In the first place labour income in this country is at a record high. Last month, for the first time in the history of this country, we passed the $75 weekly average of labour income in the country.

Mr. Robichaud: So has unemployment.

Mr. Starr: Industrial expansion has continued at unprecedented rates; steel mills were at 104 per cent capacity in March; production was up all along the line. What does the *Canadian Statistical Review* say on page 19 of the 1959 supplement? It shows that in 1954, those buoyant days of Liberal rule—1954 is the year they always point to; the hon. member for Essex East mentioned that date this afternoon—industrial production stood at 128.5. This was in the buoyant days of Liberal rule. In March, 1960, the latest available figure, it stood at 169.3, a gain of nearly 41 points.

Mr. Martin (Essex East): You said that this afternoon.

Mr. Starr: Let us look at employment. In manufacturing, in 1959 there were 172,000 more Canadians at work than in 1954; 50,000 more in transportation; 110,000 more at work at construction; 315,000 more at work in service industries and 118,000 more working in trade. There has been a decline in farm labour, but this is due to two things: first, increasing mechanization of farms and, second, the movement of people from farm work to more highly paid industrial jobs. This transition, Mr. Speaker, has been going on since the second world war. There is nothing new in it. Economists have been pointing this out for many years and we get these reports from them continually.

The simple fact of the matter is that this is one of the symptoms of an economy in a state of transition. In the final report of the royal commission on Canada's economic prospects, the following appears:

> The record of growth reflects the emergence of this country as an increasingly versatile, skilled and rich industrial nation.

This change-over has been taking place at a rate unparalleled in any modern country, with the exception perhaps of Japan. Even in Japan problems of technological change and automation are becoming increasingly difficult and, from the reports we get, even in the Soviet union.

What would this committee come up with? Would it come up with something similar to what the committee dealing with the Atlantic provinces came up with?

Mr. Robichaud: On a point of order—

Mr. Starr: The last commission—

Mr. Robichaud: I remind you, Mr. Speaker, that the minister is reading his speech.

Mr. Starr: The last commission of this type was appointed by the previous government and it dealt with the problem of the Atlantic provinces. It made the suggestion that the federal government should pay the transportation of those residing in the Atlantic provinces if they wish to go elsewhere. I do not know whether this type of committee would bring out anything more than what was said then. I know the hon. member for Gloucester (Mr. Robichaud) is very much interested in the Atlantic provinces. I am sure he would not agree with what that commission brought out with respect to the province in which he resides.

Our task in this country has been the greater because we have been attempting to affect those changes through the free efforts of free men and free institutions in a free democratic country rather than through government control or regimentation.

What is the situation with regard to persons with jobs? The D.B.S. report for March shows a total of 5,668,000 Canadians with jobs; in March, 1959, the figure was 5,552,000, or 116,000 fewer. In March, 1958, the figure was 5,401,000, or 267,000 fewer than this year. In 1957 the figure was 5,460,000, or 208,000 lower. In 1956 the figure was 5,309,000, or 359,000 fewer than this year. I am sure that even the hon. member for Essex East will admit that employment in Canada is at a record level for all time.

Mr. Martin (Essex East): It is unemployment that we are concerned about.

Mr. Starr: In comparison with any other year—

Mr. Martin (Essex East): It is unemployment that we are concerned about.

Mr. Starr: Of course the hon. member drew up this resolution and in it he dealt with employment. He refers to a stable level of income and employment. Surely, in these

circumstances, he must admit that employment in Canada is at a record level for all time.

There is no mention of unemployment in his resolution at all.

Mr. Robichaud: What about unplaced applicants?

Mr. Starr: That this is another method of camouflage that the hon. member is pursuing is borne out by the fact that he made his speech and would not divulge his amendment until he was able to get in what he wanted to get in for the purpose that he had in mind.

Industrial production in Canada is up 5 per cent over last year; retail sales are up almost 2 per cent; labour income is 5½ per cent higher; employment is up 2 per cent over last year; and construction awards are up over 100 per cent over last year; that is for the first three months of this year—

Mr. Deschatelets: What is the increase in construction? Is that all construction?

Mr. Starr: Yes, taken from the *Financial Post* of May 21 of this year. The article gives the figures for the month. In the field of construction, contract awards, changes from a year ago are up 106.7 per cent. I am sure, Mr. Speaker, from the figures I have given so far one can see no sign of an economy in the throes of disaster. In January and February this year exports climbed 27 per cent over the same period last year. This is a good sign. We are closing the gap that has existed between exports and imports. But the responsibility for doing these things is not the responsibility of any committee that may be set up. It is the responsibility of the government. I say that the government and the actions that the government has taken have brought about the situation I have outlined this evening.

I admit, of course, that it would not be realistic for the opposition to concede that the government is responsible for these things. That is not their job. Their job is to sit here and try to find how best to criticize the government. If the members of the opposition are any good at all they will find ways and means to criticize the government. We expect them to do so and so do the people of Canada. But anyone who travels across the country can see nothing but tremendous expansion, hustle and bustle. Sales are up and people are earning more, spending more and saving more—

Mr. Robichaud: And more unemployment too.

Mr. Starr: —than ever before in the history of Canada.

Mr. Robichaud: And more unemployment too.

Mr. Starr: I said that it is not the job of the opposition to praise the government for what has been done in this field. Nor is it the job of the Canadian Labour Congress but in their last brief the Canadian Labour Congress did not hesitate to commend the government for what it has done in the past and ask us to carry on in the same way. It is interesting to read their brief because it certainly gives a realistic picture of what is happening. It is not often that a government of this country can gain commendation from the Canadian Labour Congress. We are proud of the fact that we have been able to do these things which have led the Canadian Labour Congress to agree with us and to urge us to carry on the work we have been doing. They say that the government has done a good job and they ask us to keep up the good work.

That is exactly what we intend to do, Mr. Speaker. None of these things can be done overnight. I need not tell that to the hon. member for Essex East (Mr. Martin). It took him from 1919 to 1956 to bring in hospital insurance—

Mr. Fleming (Eglinton): And even then he did not finish the job.

Mr. Starr: —and I know he was working on it all the time. But there are certain obstacles in the way before you can bring these things into effect. Certainly some good suggestions were made with respect to this matter last March. I must say that the hon. member for Essex East was only partially responsible because his colleague, the hon. member for Laurier (Mr. Chevrier), added 17 points. There may be some good suggestions but they require study. They only made their suggestions on March 2 last and surely they did not expect that we would put the whole formula into effect in a matter of months.

Mr. Martin (Essex East): Why not?

Mr. Starr: We are studying these things and we are proceeding as rapidly as we possibly can. But the results of what has been done since we took office in June, 1957 are evident already. There are many problems in many fields. I feel that the most important problem before us is to put our manpower to work on a full employment basis.

Mr. Martin (Essex East): Hear, hear.

Mr. Starr: We all agree with that. As I have said, our economy is in a state of rapid transition and to bear me out I would point

out that the royal commission on economic development has stated the same thing. While tremendous expansion continues in Canada there will continue to be problems, and automation is one of these problems. My department is currently studying the effects of automation, and we have already made a survey touching on the electrical industry, the heavy machinery industry, the household appliance industry and the automobile industry. The committee established by the department is composed of labour representatives among others, and they are studying these things. You have to be an expert. The board suggested in this amendment could not study automation. How would you be able to pick for the personnel of such a board people who would know anything about automation? Automation needs to be studied by experts and that is what we have in the department. That is exactly how we are proceeding in an endeavour to find out what is happening in the field of automation and how it affects labour and manpower. To illustrate how difficult a job this is, I might say that it takes from six months to a year to conduct an on the spot survey in only one industry.

To come back to the amendment, Mr. Speaker, the problems we have to face are not problems that can be solved by any committee. They are problems that must be met by the government which was elected to do the job and which showed in 1958 that it could meet these problems. I do not feel too disappointed when I hear the hon. member for Essex East and others endeavouring to find loopholes whereby they can gain favour in the eyes of the people of the country. That is exactly what I would be doing if I were in the opposition. It is something I did when I was in the opposition but on a constructive basis. I think the hon. member will admit that I did not stray too far from constructive criticism when I was in the opposition.

Mr. Martin (Essex East): The hon. gentleman did not have the same grounds. You had good government at that time.

Mr. Starr: After all that is his way of survival in the political arena and we expect it. At first I used to feel hurt when I heard an attitude expressed that was not constructive and certain things being implied by using a particular method, but now I have come to know the methods of certain members of the opposition and consequently I am not as worried now as I used to be in 1957 and the early part of 1958. With respect to the criticism of the hon. member for Essex East as to the actions of the government in the field of employment and the government's economic policies, I have come to the conclusion that you have to look closely to find out what his intentions are and then you can proceed on that basis.

I say, Mr. Speaker, that our economy is healthy and more people are working. There are problems because of the growth of our country but they are problems that the government intends to tackle and solve. Certainly we cannot do that in two months as the hon. member expects us to and the committee that has been suggested would not do it in two months.

Mr. Martin (Essex East): You have been in office for three years.

Mr. Starr: We would not have a report from such a committee for two years.

Mr. Martin (Essex East): You have been in office for three years.

Mr. Starr: We have solved a great many problems in those three years and when we have been here for another 20 years, as the hon. member was—

Mr. McIlraith: You will not be.

Mr. Starr: —there will not be too many problems left in this country.

Mr. Martin (Essex East): May I ask the minister a question? Can he tell us whether, as a result of the speech he made on Thursday last, it is the intention of the government to call a conference of industry and labour as he proposed should be done when he spoke in Gananoque and as reported in the Ottawa *Citizen* last Friday?

Mr. Starr: There we go again, Mr. Speaker. What the hon. member says is not entirely what I said on Thursday in Gananoque. I do not know what the report in the paper was to which the hon. member refers. I will have to take a look at it and check it but I am sure that the report is not as the hon. member has described it so I cannot answer his question.

Mr. Martin (Essex East): Another minister misreported.

Mr. Fleming (Eglinton): Just misquoted in the house.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, at the outset of my remarks, I should like to discuss certain parts of the speech of the Minister of Labour (Mr. Starr).

I do trust that the Minister of Labour will not take offence at my saying, first of all, that we have just heard a most disappointing speech.

Following the amendment put forward by the hon. member for Essex East (Mr. Martin), we would have expected the Minister of Labour to quote some figures and to come forth with consistent explanations, and with a plan providing much greater hope for the Canadian people than is now justified.

I think the Minister of Labour is a bit of a doubting Thomas.

Mr. Martin (Essex East): Not Thomas Aquinas.

Mr. Deschatelets: He has before his very eyes figures issued by his own department, but he does not believe them.

Just a few days ago, he referred to a photograph, published in Montreal newspapers, that showed an unemployment insurance office with such a crowd around it that it overflowed into the street. And the Minister of Labour's answer was that the photograph had been taken before opening time.

Mr. Martel: It is true.

Mr. Deschatelets: Whether it was before or after opening time, and whether those unemployed had been photographed on the sidewalk or inside the office, they are much more significant than a speech, whether in Montreal or in other offices across the country. They illustrate the sad and extremely serious employment situation now prevailing in Canada.

Now the Minister of Labour tells us: the figures are misleading, in the sense that they are improperly interpreted. He tells us that about 48 per cent of the unemployed are seasonally unemployed.

I would ask the minister to indicate what he has to offer as an excuse for the latest figures issued by his office on April 30 last, which show that 750,000 Canadians are now seeking employment, as against only 714,000 at the same date last year?

The Minister of Labour has pooh-poohed the suggestions put forward in this house and on television by the hon. member for Essex East, as well as the 25 proposals submitted to this house by the hon. member for Laurier (Mr. Chevrier).

He has even said that the amendment suggested by the hon. member for Essex East is the second point in the list of proposals submitted last winter by the hon. member for Laurier. Well, whether it is the second, third or tenth point, let me ask the Minister of Labour a simple question: Why did he not make use of it? Why, as Minister of Labour, and as the person in Canada who is best informed on the extent of unemployment, and on the pitiful employment situation, why did he not take the lead in having the whole employment problem reviewed by a committee of experts and economists?

Now, Mr. Speaker, the Minister of Labour tells us that if the amendment of the member for Essex East was accepted, it would mean that the government would waive part of its responsibilities. That is an answer or an explanation that could have been expected from a child, but surely not from an adult, and still less from the Minister of Labour.

Mr. Speaker, it would certainly not be waiving part of its responsibilities to have a problem such as employment in Canada studied by experts. That would in no way affect the government's responsibilities; its only responsibility would be to decide, after that board had submitted its report, whether the suggestions are beneficial to all Canadians or not.

Mr. Martin (Essex East): Hear, hear.

Mr. Deschatelets: Mr. Speaker, while I am taking up certain statements of the Minister of Labour, may I point out that not a single minister is in the house at present—

Mr. Martel: That is untrue.

Mr. Deschatelets: Not a single minister of the crown—I welcome the Minister of Labour and I thank him also for his courtesy, because I am now commenting on the disappointing speech he made here tonight.

Mr. Martel: A member certainly has the right to go behind the curtains.

Mr. Deschatelets: During his remarks, the Minister of Labour said that the hon. member for Essex East, especially since he sits in the opposition, saw the gloomy side of the situation, that is, he made a pessimistic report of the present situation in Canada.

Mr. Speaker, if the Minister of Labour chooses to mention the fact that the hon. member for Essex East looks at the situation through very dark glasses, he will allow me to deal with certain remarks he himself made when sitting in the opposition, and we shall see which one of us two described the true situation.

On March 3, 1955, the present Minister of Labour, who was then sitting on the opposi-

tion benches, said, when speaking of the empoyment situation as we may see on page 1693 of *Hansard*:

> Consequently we find ourselves with unemployment on a scale of national emergency—

Mr. Speaker, everybody knows that present conditions in this country are much worse than in 1955. I therefore ask the Minister of Labour, if he thought that the situation was on a scale of national emergency in 1955, what terms we might use tonight in describing conditions on April, 1960, when there were 756,000 Canadians looking for jobs?

Mr. Speaker, the Minister of Labour went still much further when, as an opposition member, in 1954 he supported a political party which submitted to the government of the day a proposal to have a committee of experts look into the whole employment question.

Mr. Speaker, I ask him once again to explain his behaviour. It is quite obvious that in 1954—and figures are there to prove it—the employment situation in this country was not comparable to the present one. If the present Minister of Labour, when sitting in the opposition in 1954 wanted to have the whole question of employment submitted to a board of inquiry, why did he state today that he was opposed to an investigation of employment and income in this country, when present conditions are much more serious then they were in 1954?

Mr. Martineau: He gave us his reasons.

Mr. Deschatelets: The Minister of Labour suggests that, as far as employment and income are concerned, we are now in a period of boom. I should like to offer the Minister of Labour a challenge I wish he would take up one of these days. I wish he would attend a meeting in Montreal, for instance, where a third of all the unemployed in Canada are to be found, and make before these people the kind of speech he made here in the house tonight. If he took up this challenge, I am convinced the result would have nothing in common with the "boom" he tried to describe a moment ago.

It is obvious that there is nothing to be hoped from the Minister of Labour, whom we have urged during this session, perhaps every week, to find some formula or plan whereby a committee might study the situation and make recommendations, any more than there is anything to be hoped for from this government which refuses to assume its responsibilities in regard to unemployment and labour in Canada. Consequently, I am tempted to say that the Minister of Labour is nothing else than the minister of unemployment.

I say to the minister that the position he has taken tonight of refusing the amendment introduced by the hon. member for Essex East is one which is contrary to Canadian public opinion, and contrary to the opinion of the press. His attitude will certainly not be favourably considered by more than a million citizens who are now enduring hardship and, in this connection, I should like to read a few lines of an article published in the Montreal *Star* of April 21, 1960, where it says:

(Text):

> Why Not A Study of Unemployment?
> —Fortunately no federal election is likely for two years. This gives a government time to turn around, to study, to get advice. It has been a long time since there has been an independent study of the unemployment problem. The last one was before the war and the whole pattern of industrial technology has changed since then. Why not set up some body with resources of expert help, and see what recommendations emerge?

(Translation):

Mr. Speaker, those are the remarks I wanted to make following the comments of the Minister of Labour. But, in closing this first part of my speech, since the minister referred to a "boom" in the field of construction, may I quote here a recent article from *La Presse*, which is entitled:

> A 70 per cent tumble.
> Officials of the National House Builders Association are not optimistic. They notice that during the first months of the year, the number of loans approved by the Central Mortgage and Housing Corporation took a 70 per cent tumble as compared to a year ago.
>
> So the officials of the National House Builders Association feel that the situation is precarious and they bitterly regret once again the lack of stability of their industry. Again, they urge the federal Minister of Public Works to recognize the urgency of appointing a royal commission or a committee of experts to make a thorough investigation of the financing systems of the housing industry, and they suggest solutions for the lack of funds which consistently paralyse it, to the great prejudice of the whole Canadian economy.

Well, Mr. Speaker, I believe the amendment introduced today by the hon. member for Essex East illustrates the views and the feelings of all Canadians. In fact, because the policy of this government failed to promote or maintain a reasonable level employment in this country, a thorough investigation of all aspects of this problem has become imperative.

Many enquiries made by the public opinion poll have confirmed the fact that, in the opinion of most Canadians, this problem of employment is, at this time, our major national problem.

This leads me to put a few questions. What did the Conservative government do to try and maintain employment at a reasonable level in Canada? What interest did this government show in avoiding a deterioration of the employment situation to the point I mentioned a few moments ago when quoting the last figures? To what extent did the government listen to the admonitions and warnings which it so frequently heard from the opposition? In other words, if the employment situation is alarming now, this government should assume all responsibility for it, because of its own slackness and policy of laissez faire.

If we look into the employment figures supplied since the beginning of this session, it is obvious that, at least in two instances, the government should have established such a committee of inquiry, without our having to ask for it.

We expected at first to hear it mentioned in the speech from the throne, right at the beginning of the session. However hon. members will remember that instead of announcing an inquiry on economic conditions with regard to employment, the only thing mentioned at that time was seasonal unemployment.

There was another circumstance when it would have been possible, and we might have expected the government to—

Mr. Deputy Speaker: I am sorry to have to interrupt the hon. member, but if I rightly understood the directions previously given by Mr. Speaker, there is no justification in this debate to review the government's policy, or lack of policy, with regard to employment, or unemployment. The only permissible discussion is one relevant to the reasons which would justify the appointment of a national consultative committee on economic development and automation. As I understand it, the most appropriate subject matter to be discussed would be the advantages that could be derived from the setting up of such a committee. Therefore I would ask the hon. member to adhere strictly to those directives.

Mr. Deschatelets: Well, Mr. Speaker, it is not always easy to keep within the limits. I can assure you that I am doing my utmost to proceed along the lines you have just indicated.

I was saying that a complete study should have been made of the unemployment and labour problem at the very beginning of this session. We have repeatedly asked the government to do so several times.

An hon. Member: Order.

Mr. Deschatelets: This government has always refused to take heed of our warnings. You were asking me, a moment ago, to confine my remarks to stressing the usefulness of an inquiry such as is being asked in the amendment introduced by the hon. member for Essex East. I feel that any thinking person will admit that, in a country like Canada, whose resources are so abundant, we can no longer tolerate a situation where hundreds of thousands of our fellow citizens are unable to enjoy the same standard of living as other Canadians. It is for the sake of those people that, from the very beginning of this session, we, on this side of the house, have never missed an opportunity of pointing out the deplorable state of employment. Now today, we have had submitted to us a very concrete proposal by the hon. member for Essex East. You will allow me, Mr. Speaker, to give special warning to my friends the hon. members from the province of Quebec, whom I would ask tonight to ponder seriously the amendment introduced by the hon. member for Essex East, before voting against it.

Mr. Speaker, I would also ask one of the authorized representatives of the province of Quebec in the government, namely the Solicitor General (Mr. Balcer), the associate minister of defence (Mr. Sevigny), the Minister of Mines and Technical Surveys (Mr. Comtois) or the Minister of Defence Production (Mr. O'Hurley)—either of the four—to rise tomorrow and tell us how they feel about the employment situation, particularly in the province of Quebec, because they have been sent here to look after the interests of the citizens of the province of Quebec.

The Deputy Speaker: As I understand the hon. member, he is asking the minister to be out of order in replying to that question, in view of the fact that the hon. member is out of order himself with regard to the directives I gave him a moment ago.

Mr. Johnson: He wants to propose an amendment.

Mr. Deschatelets: I also hope that the hon. member for Chambly-Rouville (Mr. Johnson), who has just interrupted me, will rise in his place tomorrow to say what he thinks about the unemployment situation in the province of Quebec.

Mr. Johnson: I could do so right now, if you wish.

(Text):

Mr. Speakman: Mr. Speaker, on a point of order, the hon. member is obviously flouting your ruling.

National Board on Economic Development

(Translation):

Mr. Deschatelets: Mr. Speaker, I indicated a moment ago that it was rather difficult to keep within the prescribed limitations. However, I shall try to do so.

Mr. Pigeon: You have got to be smart.

Mr. Deschatelets: We have before us a very definite proposal, one which I think could be the answer to Canada's unemployment problem.

A moment ago, the Minister of Labour stated that the government could do much more and much faster than a committee of investigation towards the settlement of that problem.

Let me point out to the Minister of Labour that such a committee could suggest two possible courses.

First, there are short term recommendations, and then long term recommendations.

It is obvious that, because of the fiscal and monetary policy of this government, we cannot help being in any other situation than the present one, but it is also obvious that some adjustment is required in the economic structure of our country, because we cannot again put up with the sight of hundreds of thousands of our fellow citizens being unable to share in the standard of living enjoyed by other Canadians.

If the amendment of the hon. member for Essex East is the answer to the problem of the nine other provinces, and if there is a province where it is necessary to investigate, it is the province of Quebec.

Mr. Speaker, on April 30, 1960, 236,000 people were looking for work in the province of Quebec. It is the highest figures since the Conservative depression of 1930. I wonder if my hon. Conservative friends from the province of Quebec are satisfied with this situation.

Mr. Pigeon: Mr. Speaker, I rise on a point of order. The hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) is ignoring your advice. You told him several times to comply with the rules. May I ask, Mr. Speaker, that you order him for the last time to cease ignoring your instructions.

Mr. Caron: On a point of order, Mr. Chairman. I believe the member who just rose is mistaken. The amendment proposed by the hon. member for Essex East is so broad in scope that it is extremely difficult to wander away from it.

I believe the interpretation you made of it a few moments ago was a little narrower than that of the Speaker.

[Mr. Speakman.]

(Text):

Mr. Speakman: That is not what the Speaker said this afternoon.

(Translation):

Mr. Caron: May I complete my point of order, without the hon. member interfering?

I think it is essential to speak of the existing situation because the purpose of the committee we are asked to set up, would precisely be to improve conditions.

The overriding issue in the province of Quebec today is unemployment, and I think we have the right to deal with it at this stage.

Mr. Deputy Speaker: I thought for a moment that the hon. member for Maisonneuve-Rosemont would stick to the proposal now before us—at least he had given me some hope in this respect—but I must say that at the time when the member for Joliette-L'Assomption-Montcalm raised his point of order, I believed he was just about to discuss the unemployment or employment situation, which, as a matter of fact, is not the subject matter of the motion.

It is simply a matter of dealing with the effect the establishment of a national advisory council could have on economic development and automation.

Indeed, we can deal with unemployment—I believe the hon. member has had many opportunities to do so—but the main purpose of the amendment is the establishment of the committee, and it is in that sense that Mr. Speaker indicated the limitations of the debate, because the government policy with respect to unemployment has been dealt with a ruling of the house, and it cannot be reverted to.

Mr. Deschatelets: Mr. Speaker, I trust the points of order which have been raised will not shorten the time available to me—

Mr. Pigeon: This is not unanimous.

Mr. Deschatelets: Mr. Speaker, the main reason why—

Mr. Martel: Order.

Mr. Deschatelets: The main reason why I believe all members of the house should vote in favour of the amendment introduced by the hon. member for Essex East, is that no one, until today, neither from this government nor from the government of the Union Nationale, has shown any interest in the unemployment problem.

Mr. Pigeon: Mr. Speaker, I rise on a point of order.

The hon. member should adhere more strictly to the rules of the house. He should not take so much liberty with the rules. In fact, he is making fun of you.

Mr. Robichaud: Before the hon. member for Maisonneuve-Rosemont, we listened to the Minister of Labour dealing for about half an hour with no other subject matter than unemployment itself.

Mr. Martel: No, of employment.

Mr. Pigeon: I appreciate that Mr. Lesage is fully employed at this time—which should not be the case after June 22.

Mr. Deputy Speaker: Order. I believe it is not necessary to repeat to hon. members the limits of the debate; so I would ask the hon. member for Maisonneuve-Rosemont to keep within those limits, to abide by the directives of the Speaker.

Mr. Deschatelets: Mr. Speaker, I shall try to abide by your directives.

Now, the reason why I believe this amendment should be adopted at this stage of the session, is the fact that it is perhaps the last effort—

Mr. Speaker, I rise on a point of order. Could I be allowed to go on with my remarks without further hindrance? I find that the hon. member for Chambly-Rouville (Mr. Johnson) keeps interrupting about everything—

Mr. Johnson: And particularly about nothing.

Mr. Deputy Speaker: Order. It is recognized that the hon. member who has the floor should not be interrupted unless he agrees and particularly, he should not be interrupted if it annoys him.

Mr. Deschatelets: Mr. Speaker, I feel that the amendment moved by the hon. member for Essex East, in view of the circumstances described a moment ago, is perhaps the most important amendment introduced before this house in the course of this session, and I am appalled at the irresponsible attitude shown by my hon. Conservative friends from Quebec with regard to this amendment, which is probably, for the province of Quebec—

Mr. Speakman: For Canada.

Mr. Deschatelets: And also for the whole of Canada—

An hon. Member: Including the Yukon.

Mr. McCleave: Stop reading your speech.

Mr. Deputy Speaker: Order.

Mr. Deschatelets: Mr. Speaker, may I suggest we call it ten o'clock?

Mr. Pigeon: Mr. Speaker, I rise on a point of order. It is only two minutes before ten.

Mr. Deschatelets: I shall go on with my remarks.

I am appalled that hon. members from the province of Quebec, which is the province most affected by unemployment, show so little responsibility with regard to this matter—

Mr. Johnson: That is not true.

Mr. Deschatelets: —and the purpose of the amendment is to relieve it. I find it extraordinary that the Conservative members for the province of Quebec should joke instead of supporting us, because it is primarily for the citizens of the province of Quebec that the amendment was introduced. It is in that province that there are close to one third of all unemployed of the country.

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

Mr. Johnson: Order. You have talked enough; Mr. Lesage will tell you the rest tomorrow. Phone Mr. Lesage to learn the rest of it.

(Text):

The Deputy Speaker: Are hon. members calling it ten o'clock? I understand the hon. member for Maisonneuve-Rosemont is calling it ten o'clock.

BUSINESS OF THE HOUSE

Mr. McIlraith: My embarrassment, Mr. Speaker, arises from the fact that you apparently have not resumed your seat after calling it ten o'clock in order to permit me to ask what the business of the house will be for Wednesday of this week.

Mr. Churchill: The business for this week will be found on page 4072 of *Hansard* but I now suggest a change for Wednesday due to certain circumstances beyond our control. For one thing, the resolution in the name of the Minister of Veterans Affairs with regard to the War Veterans Allowance Act will be postponed at the request of the members of the standing committee on veterans affairs, and the order of business for Wednesday will run this way: Item No. 8 on today's order paper, the resolution with regard to the Emergency Gold Mining Assistance Act, followed by the second reading of Bill No. S-27, an act to control and regulate the sale of feeds, followed by the budget resolutions.

Business of the House

Mr. McIlraith: As I understand it, it was indicated on page 4072 that consideration of the budget resolutions will precede the legislation.

Mr. Churchill: That was the original intention, but there is a funeral ceremony that a number of hon. members are attending on the morning of Wednesday. They will be back late on Wednesday afternoon. The Minister of Finance (Mr. Fleming) is concerned, and he will be back in time to proceed with budget resolutions, though later than anticipated.

Mr. McIlraith: So that the order will now be the Emergency Gold Mining Assistance Act and the act to control and regulate the sale of feeds and then the budget resolutions for Wednesday.

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

HOUSE OF COMMONS

Tuesday, May 24, 1960

The house met at 2.30 p.m.

RAILWAYS, CANALS AND TELEGRAPH LINES

Seventh report of standing committee on railways, canals and telegraph lines—Mr. Fraser.

POWER

COLUMBIA RIVER—REPORTED REFUSAL OF MINISTER TO DISCUSS FINANCIAL ARRANGEMENTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Minister of Finance whether he would care to comment on the reported statement of the premier of British Columbia that while in Vancouver recently he, the minister, had been invited to discuss federal-provincial financial arrangements for the Columbia river project and had not replied to the invitation which, no doubt out of respect for my hon. friend's favourite procedure, was sent to him by telegram.

Hon. Donald M. Fleming (Minister of Finance): If that is the report in the press it is not a completely correct report of what happened. I was in Vancouver last week on the Sunday and Monday. I had previously addressed a letter to the premier of British Columbia suggesting that it might be advisable for representatives of the department of the provincial treasurer of that province and of the federal Department of Finance to meet at a mutually convenient time to discuss any questions related to the financing of the Columbia river development that might be appropriate.

I was on a quite tight schedule on that trip west. I was due to leave Vancouver early on Tuesday morning. At a very late hour on Monday night—indeed, just when I was in the act of packing in preparation to leave Vancouver—I received a telegram from the premier suggesting that I should go on to Victoria. It was quite impossible, of course, to do so at that time, as I was due to speak in Winnipeg the following day. I proceeded to Winnipeg, fulfilled my engagement there and returned to Ottawa on Wednesday morning. On my return on Wednesday I addressed a letter to the premier explaining the circumstances and why it was quite impossible, under the circumstances, for me to accept his invitation at that time, but suggesting that when he returned from his trip to the United Kingdom, on which he was to leave at the end of last week, I would be happy to arrange for such a meeting at a time that would be convenient to him.

I do not of my own knowledge know this, but I am told that having dispatched this telegram to me on Monday—apparently late on Monday—he went to the radio or made a radio statement within a day or so complaining that he had not received any reply to his telegram and that I had not gone to Victoria. Under the circumstances, if he made any such statement, it was obviously entirely premature. I think it would have been the part of fair play to wait until adequate time had elapsed for a response to reach him.

Mr. Pearson: May I thank the minister for his reply and tell him I quite understand the difficulties of a tight schedule. Does he care to comment on the further statement made by the premier, namely that the Secretary of State for External Affairs (Mr. Green) had already informed the government of British Columbia some time ago that the federal government would pay 50 per cent of the cost of this project but that, in the reported words of the premier of British Columbia, they have been running away ever since from that?

Mr. Fleming (Eglinton): To my knowledge, Mr. Speaker, my colleague the Secretary of State for External Affairs has not made any such statement to the government of British Columbia. There has been no running away from anything. It is not the practice of this government to run away from its positions, its statements or its responsibilities. I think this matter would be much better advanced, Mr. Speaker, to the mutual advantage of British Columbia and the rest of Canada if an effort were made to arrive at understandings of the positions of the two governments without rushing into radio or press reports, as apparently has been done in the quarter referred to by the Leader of the Opposition, and trying to make some political statement.

The fact of the matter is that there has been an exchange of correspondence on this subject with the premier of British Columbia. We have been quite clear in the statements

we have made to him. The matter of the development and the sharing of cost has been discussed at the several conferences that have been held between representatives of the federal government and representatives of the government of British Columbia. At this very time a meeting is in progress at Washington at which both governments are represented in discussions with representatives of the United States administration on this entire problem.

Under these circumstances, Mr. Speaker, I think it is not inappropriate for me to say that there have been ample opportunities for discussion of this subject and that all the opportunities that are required will be afforded. There will be no running away from any responsibility on the part of the federal government. We simply ask that all those concerned approach this matter in the same understanding and co-operative attitude.

Mr. H. W. Herridge (Kootenay West): A supplementary question. May I ask the Minister of Finance that the government not run away from their responsibilities to protect the residents of the Arrow lakes.

Mr. Fleming (Eglinton): Mr. Speaker, the interests of the residents of the Arrow lakes area have been given due consideration at all times by the representatives of the federal government in the discussions which have been carried on.

Mr. Erhart Regier (Burnaby-Coquitlam): Might I ask another supplementary question. I noticed that the premier of British Columbia passed within a few hundred miles of Ottawa the day before yesterday. Did Premier Bennett at that time make any effort to see the minister?

Mr. Fleming (Eglinton): No. I have received no communication from Premier Bennett since Monday night, May 16, when I received a telegram at a very late hour, as I have said, as I was packing to leave for Winnipeg. I have had no communication from him since. He did indicate in that telegraphic message to me that he was leaving for England at the end of the week and would be gone for some time.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask a further supplementary question. Is this an example of those more harmonious relations which this government has established with the provinces?

Mr. Fleming (Eglinton): Mr. Speaker—

Mr. Speaker: If I may intervene, I suggest that the question is not an appropriate one to ask; it is an argumentative one, not one seeking information.

[Mr. Fleming (Eglinton).]

AGRICULTURE

DEFICIENCY PAYMENTS—PRESS REPORTS RESPECTING ALTERNATIVE PROPOSALS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Agriculture. In view of the denials by some leaders of farm organizations, does the minister wish to modify his statement made in the house last week that the federal cabinet had not received any alternative proposals to deficiency payments from farm groups?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I do not know exactly to what the hon. member is referring by denials of western farm organizations. The situation is as I outlined it in the house last week. The liaison committee representing the ten western farm organizations which wrote and wired requesting an interview with the Prime Minister and the cabinet were asked to send down in writing an alternative proposal for discussion between us.

I stated last week that they had not yet done so. They did submit a brief which to a considerable extent went over some of the things they stated when they were down on the march something over a year ago, which they thought might or should be done with regard to the dominion government assuming a larger portion of storage charges, and things of that sort. Some individual farm organizations have made representations, of course, but the liaison committee as a whole did not put in any definite alternative as requested in the reply to them by the Prime Minister.

Mr. Chevrier: A supplementary question. My question was prompted by two statements appearing in the Winnipeg *Free Press* following the announcement made in the house by the minister, to the effect that two major Manitoba farm groups had stated Friday that western farmers had made alternative suggestions to the Prime Minister for farm aid, and that they seemed to be under the impression that there was no reason for the government delaying the calling of a meeting to discuss them. Also the statement which appeared in the Winnipeg *Free Press*—

Mr. Speaker: Order. Has the hon. member a supplementary question?

Mr. Chevrier: Yes; my supplementary question is this. Since the minister made his statement, has he not been made aware of this denial by the western farm groups?

Mr. Harkness: Mr. Speaker, these clippings from the Winnipeg *Free Press* were drawn

to my attention this morning. I have just stated the situation, and it is the situation that I outlined last week.

PUBLIC BUILDINGS

OTTAWA, ONT.—INVITATIONS TO OPENING OF NEW AGRICULTURAL BUILDING

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, members of parliament recently received from the Minister of Agriculture for Canada formal invitations to the opening of a certain building, all printed in English. Can the minister tell us whether there were any written in French?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, this is a detail which is attended to in my office. I presume the hon. member has reference to the opening of the new building to be called the K. W. Neatby building. I am not aware whether invitations were prepared in both French and English, but I will inquire and find out.

PUBLIC SERVICE

STATEMENT ON FINGERPRINTING OF CIVIL SERVANTS

On the orders of the day:

Hon. Leon Balcer (Secretary of State): Mr. Speaker, in reply to questions by the hon. member for Kootenay West and the Leader of the Opposition, I should like to make a brief statement concerning the fingerprinting of public servants.

During the second world war members of the Canadian armed services were fingerprinted, primarily for purposes of identification. In the years following the war the Department of National Defence and a number of other departments and agencies initiated the practice of fingerprinting for those employees requiring access to classified information, as well as for certain employees responsible for the protection of public property.

In 1954 the previous government decided to extend this procedure to all persons employed in positions requiring access to classified matters, including certain persons employed in positions of trust although they might not have working access to secret and confidential papers. At that time the civil service commission was asked to provide the necessary facilities for taking fingerprints of these categories of civil servants at its offices here and across the country. Crown companies and agencies were asked to make separate arrangements for the fingerprinting of their employees.

There has been no change in this policy since its inception, and I should like to assure the house that it is not the government's intention to extend this procedure to all public servants.

Mr. G. J. McIlraith (Ottawa West): I should like to ask the minister to tell the house what departments or agencies he was referring to in his answer when he said that since the war a number of other departments or agencies had begun the practice of fingerprinting. I have in mind departments other than the Department of National Defence and others directly relating to security matters.

Mr. Balcer: According to the information I received this morning—and I am not sure whether the list is complete—the following departments are concerned: post office, R.C.M.P., national defence, both service and civilian personnel; national research council, Canadian Arsenals, Atomic Energy of Canada, and some employees of the Department of Public Works in the custodial group, which means the char people and elevator people in buildings housing classified information.

Mr. McIlraith: A further supplementary question. If this was done by the previous government with respect to these employees in the Department of Public Works, why was it necessary to issue an order in the last few days requiring this action to be taken?

Mr. Balcer: There were no new orders issued by this government.

Mr. H. W. Herridge (Kootenay West): A supplementary question. Who makes the decision as to which civil servants should be fingerprinted?

Mr. Balcer: The decision is taken by the various heads of the departments.

Hon. L. B. Pearson (Leader of the Opposition): Is the press report that this procedure is to be extended to some 2,000 officials in the Department of Public Works inaccurate?

Mr. Balcer: I do not know the exact figure. I do not think there is anything I can add to what I have said so far.

Mr. Harold E. Winch (Vancouver East): Would the minister mind telling me what access an elevator operator has to secret documents?

Mr. Balcer: When I mentioned those employees I was referring to people who are in buildings at night, and during the daytime, when it might be possible for them to have access to these documents.

Mr. Winch: From the elevator to private offices? Oh, come.

Inquiries of the Ministry

IMMIGRATION

REPORTED RAIDS BY MOUNTED POLICE ON CHINESE COMMUNITIES

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Citizenship and Immigration. I direct this question to the hon. lady because I believe the activities to which I shall refer concern her department. Is the minister able to give the house any report on the reasons for the Royal Canadian Mounted Police investigation and raids that are taking place today in Chinese communities across Canada?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, this is a natural outcome of the investigation which I announced in the house on January 14.

Mr. Howard: Mr. Speaker, a supplementary question. In the statement made by the Minister of Citizenship and Immigration on January 19, as reported at page 83 of *Hansard* of this year, the hon. lady said in part:

It is a little early as yet to evaluate the extent of the alleged illegal entries—

That is, from the mainland of China, Macao and Hong Kong.

—but there are indications that a number of persons may be involved both in Canada and in the Far East.

Is the minister now in a position to give any statistical information about the number of illegal entries to Canada from China and the number of people involved in the black market method of bringing immigrants to Canada?

Mrs. Fairclough: No, Mr. Speaker, I do not have that information. The investigations are in the hands of the police, and I am afraid it will be quite some time before we will have any specific information.

(Translation):

CANADIAN BROADCASTING CORPORATION

INQUIRIES RESPECTING NEWS COMMENTARIES ON UNITED NATIONS MEETING

On the orders of the day:

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I should like to direct a question to the Minister of National Revenue or, in his absence, to his parliamentary secretary.

Has the Canadian Broadcasting Corporation authorized Mr. Jean-Louis Gagnon, of Montreal's *La Presse,* to criticize the foreign policy of the United States, to attack the members of NATO and to praise the speech of Mr. Gromyko, minister of foreign affairs for the U.S.S.R., in his broadcast commentary on the French network, at 3 p.m. yesterday, May 23, dealing with the emergency meeting of the Security Council of the United Nations?

Second, could the responsible minister ask—

(Text):

Mr. Speaker: Order. The hon. member knows that our practice is not to have a series of oral questions. As I understand it the hon. member has put one question, and perhaps he might await an answer.

(Translation):

Mr. M. J. A. Lambert (Parliamentary secretary to the Minister of National Revenue): Mr. Speaker, I shall take this question as notice and answer it in due course.

Mr. Tremblay: A supplementary question, Mr. Speaker, Could the responsible minister, at the same time, ask the C.B.C. for an explanation about the views expressed by the so-called expert on international affairs engaged on that occasion by the government-owned network, which views were inconsistent with those expressed in this house by the Prime Minister (Mr. Diefenbaker) and by the Leader of the Opposition (Mr. Pearson) on the recent tension in the wake of the summit conference failure?

Mr. Lambert: Mr. Speaker, I let my answer to the first question likewise apply to this one.

Hon. Lionel Chevrier (Laurier): May I put a supplementary question, Mr. Speaker? While the parliamentary secretary is inquiring into the questions just put to him, would he also inquire about a program in the English language broadcast over the C.B.C. at about the same time, so that we may know whether the views expressed on that occasion were not identical with those expressed on the French program?

Mr. Lambert: Mr. Speaker, the question of the hon. member for Laurier does not seem very explicit. Could he specify the name of the person involved, or the date of the program just referred to?

An hon. Member: It's pure hearsay.

Another hon. Member: This is just to whitewash Mr. Gagnon.

Mr. Chevrier: If the parliamentary secretary wants additional information, I may tell him that the program was broadcast at about the same time; the participants were Messrs. Blair Fraser, Norman De Poe, Stanley Burke and James M. Minifie, who made pretty

much the same remarks of which the hon. member for Roberval (Mr. Tremblay) seems to be complaining.

(Text):

ELLIOT LAKE—STATEMENT ON ALLEGED REFUSAL TO ACCEPT UNION PRESS INFORMATION

On the orders of the day:

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, yesterday the hon. member for Port Arthur (Mr. Fisher) asked me a question in connection with the united steel workers and the Rio Tinto mining company. I have inquired from the C.B.C. and they advise as follows.

The Elliot Lake news item in question, based on a story that the area council of the united steel workers of America has accused Rio Tinto mining company of trying to create a monopoly in the uranium industry, was received by the C.B.C. newsrooms from the Canadian Press early Wednesday night, May 18, and was considered along with all the other news items of the day by the editor on duty. Along with scores of other stories rejected, it was considered on the basis of its news value not to warrant inclusion in the corporation's newscasts.

Almost 20 hours later a collect wire was received by the C.B.C. central radio newsroom signed by an Elliot Lake free lance newsman whose work is unknown to the C.B.C., offering the same story. Since the news agencies had already carried the story the night before and the C.B.C. had rejected it through the usual editorial processes, the corporation refused to accept and pay for this message.

AIRPORTS

SAULT STE. MARIE, ONT.—STATEMENT AS TO DATE OF COMPLETION

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Algoma West (Mr. Nixon) asked whether I could bring him up to date on the progress being made at the Sault Ste. Marie airport. The runways will be completed and ready for use in the fall of this year. It is not possible at this time to say when the air terminal building will be completed, but tenders will be called this summer.

OTTAWA, ONT.—INQUIRY AS TO INVITATIONS TO OPENING OF TERMINAL

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the minister yet issued invitations for the gala opening of Ottawa's new air terminal building on July 1?

Hon. George H. Hees (Minister of Transport): No, Mr. Speaker, but that will take place one of these fine days.

Mr. Pickersgill: What, the opening or the invitations?

Mr. Pearson: You are not running away from it, are you?

FINANCE

ZINC OXIDE—INQUIRY AS TO TARIFF REDUCTION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Finance. May I indicate first that my question is based on a question I asked which was answered by the Minister of Justice on May 13 regarding a report of the restrictive trade practices commission. I then asked the Minister of National Revenue a supplementary question, which was as follows:

> May I inquire of the Minister of National Revenue what action has been taken or is contemplated with respect to the recommendation for the removal or reduction of tariffs on zinc?

I was referring to the recommendation of the restrictive trade practices commission. The Minister of National Revenue said that he would take my question as notice, but he thought the matter fell within the jurisdiction of the Minister of Finance. Has it been brought to the attention of the minister, and is he yet in a position to answer?

Hon. Donald M. Fleming (Minister of Finance): No, Mr. Speaker. I heard the question asked, but if any changes were proposed in any tariff rate they would, of course, first have to be laid before the house.

Mr. Howard: My question was what action has been taken or is contemplated with respect to the recommendation of the restrictive trade practices commission, not whether or not it would be laid before the house.

Mr. Fleming (Eglinton): I have indicated to the hon. member that I will examine into the matter. If there is anything affecting the responsibilities of the Department of Finance I will be glad to make inquiry.

SUPPLY

The house resumed, from Monday, May 23, consideration of the motion of Mr. Fleming (Eglinton) for committee of supply, and the amendment thereto of Mr. Martin (Essex East).

National Board on Economic Development

LACK OF GOVERNMENT LEADERSHIP—NATIONAL BOARD ON ECONOMIC DEVELOPMENT AND AUTOMATION

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, when the house rose last night, I had been giving what seemed to me to be the best reasons in favour of the immediate setting up of a national advisory board on economic development and trends, and automation.

It is quite obvious that the establishment of such a board is absolutely urgent. The main reason for it, in my opinion, is that the policy of the government, ever since it has been in office, has been one of makeshift and political expediency.

The creation of such an advisory board is, in my opinion, the most appropriate and efficient way to get us out of the economic deadlock in which we now find ourselves.

I submit there is no denial of the principle of responsible government, as the Minister of Labour (Mr. Starr) erroneously indicated last night, in the fact of seeking advice from experts; and I believe that if the government had adopted that policy two or three years ago, we would not now be in our present difficult situation. Not only is that advisory board advocated by Canadian newspapers, but it has also been many times endorsed by organized labour, as could be seen again this morning, in a release from the Canadian and Catholic Federation of Labour, which reads as follows:

> The Canadain and Catholic Federation of Labour announced over the week end its intention to ask the federal and provincial governments to set up economic advisory boards to consider practical solutions to the unemployment problem.

That, almost to a word, is the very essence of the amendment put forward yesterday by the hon. member for Essex East. Such an advisory board would also meet the hopes and suggestions expressed by our hon. Conservative friends in 1954. In fact, it is seen on page 2085 of *Hansard*, that the Conservative opposition at that time suggested to the government that a review of the economic situation should be made in 1954 as a means of finding employment. And everyone knows, Mr. Speaker, that the situation in 1954 was in no way comparable to the present difficult situation.

I think it might be well to place on record the list of our Conservative friends who, in 1954, saw fit to suggest that we review the matter. On page 2564 of *Hansard*, I find the following names:

> Mr. Balcer, Mr. Churchill, Mr. Diefenbaker, Mrs. Fairclough, Mr. Fleming, Mr. Fraser (Peterborough), Mr. Fulton, Mr. Green, Mr. Hamilton, Mr. Hees, Mr. Howe, (Wellington-Huron), Mr. Macdonnell, Mr. McGregor, Mr. Monteith, Mr. Nesbitt, Mr. Nowlan, Mr. Pearkes, the Hon. Mr. Rowe and Mr. Starr.

[Mr. Fleming (Eglinton).]

(Text):

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but I must inform him that his time has expired.

Mr. G. H. Aiken (Parry Sound-Muskoka): Before commencing my remarks, Mr. Speaker, I should like to refer to a statement made last night by the hon. member for Maisonneuve-Rosemont, who has just taken his seat. At page 4168 of *Hansard* he made the following statement, and I shall read it in French:

(Translation):

> I should like to offer the Minister of Labour a challenge I wish he would take up one of these days. I wish he would attend a meeting in Montreal, for instance, where a third of all the unemployed in Canada are to be found, and deliver before those people the kind of speech he has made here in the house tonight.

(Text):

I think perhaps the hon. member is not in touch with what has been happening in Montreal, because I should like to point out to him that just two weeks ago the Minister of Labour (Mr. Starr), speaking to a group of labour leaders and union representatives in Montreal, made almost exactly the same type of speech that he made in the house yesterday, and he was greeted by applause from that group.

I should like first of all to examine the amendment with which we are now dealing. We are dealing with an amendment which is not quite a motion of non-confidence. There is, in this amendment, no condemnation of the government for anything it has done. It is merely a request or a suggestion that a committee should be set up. The hon. member for Essex East, after solemnly assuring the house that his amendment would not touch upon any matter that had been already decided by the house, nevertheless went ahead and made a long speech on unemployment, at the conclusion of which he proposed the motion to set up a committee to deal with the causes of unemployment. I would not accuse the hon. member of leading the house down the garden path, but he certainly did have me fooled.

I should like to have a look at the economic situation as it is in Canada today. I am positive that it is not as bad as it was painted yesterday by the hon. member for Essex East. We have to admit, Mr. Speaker, that in any expanding economy there are bound to be pockets of unemployment. This is caused by, among other things, the shifting and

relocation of industry. However, the hon. member for Essex East quoted yesterday from a dominion bureau of statistics report. I should like to refer to some of the items appearing in that report of Friday, May 20, 1960. The only figures to which the hon. member for Essex East referred were those relating to construction. I cannot find the figures to which he referred because in his remarks, at page 4132 of *Hansard*, he stated that construction starts fell by 35 per cent; that was for the first quarter of 1960.

Looking at the weekly bulletin of Friday, May 20 we find that building permits issued in March fell by some 14 per cent from a year earlier. I think it is fairly obvious why this happened. Parliament had not voted any funds until some time during that first quarter, so there were no funds available from the time the money voted for the previous year was exhausted.

However, there were other items in this bulletin to which the hon. member did not refer. The first is manufacturing. Manufacturers' shipments in March were valued at an estimated $1,959 million, some 7 per cent greater than in February and 3.5 per cent above the March, 1959 level. Merchandising; department store sales, during the week of May 7 were 6.1 per cent greater than a year earlier, while April sales climbed by 6.9 per cent. Agriculture and food; more creamery butter, cheddar cheese, ice cream and skim milk powder were produced in April and January to April of this year than last. In so far as transportation is concerned, the number of cars of railway revenue freight loaded on Canadian lines in the week of May 7 rose slightly to 76,165. Manufacturers' shipments, inventories and orders; manufacturers' shipments in March were valued at an estimated $1,959 million, an increase of nearly 7 per cent from the revised average estimate of $1,837 million according to the latest dominion bureau of statistics figures.

Now, we can take any group of figures such as this and pick out one in which there is a decline, but taking the whole group as indicated in this latest weekly bulletin there has been a very definite increase all across the line in matters relating to the national economy.

I should like to look for a few minutes, Mr. Speaker, at some of the subjects covered by the amendment. I think the one deserving the most attention is the question of automation. The subject of automation requires very serious consideration. There is no doubt at all that the pattern of employment is changing in Canada, just at it is in North America and elsewhere in the world. As automation advances the place of the unskilled workman in our economy is gradually lessening. It is becoming more and more difficult for the workman who has nothing more to offer than his own strength to secure employment, while at the same time the help wanted columns of our daily newspapers are filled with requests for skilled help, teachers and professional persons.

We ask ourselves, what can be done? The Liberal party has proposed, through the hon. member for Essex East, that a committee be appointed; that is the substance of the motion before us. I believe there are some other things that can be done. The training and retraining of displaced workers is, I believe, a top priority. This work is being substantially aided by the federal government, which pays 50 per cent of the cost of any provincial training or retraining program of unemployed persons, both for buildings and for instruction.

The second thing is that I believe education at all levels must be improved. I do not wish to encroach upon the provincial domain nor to reopen a closed debate on university grants, but I do wish to point out that the federal government has taken an interest in education, to the extent which is acceptable, and that education along all lines is one of the best methods of alleviating the difficulty of the unskilled labour force.

I should like to say a few words about the position I would take on the amendment which has been proposed. First, with reference to the setting up of a board or a commission, may I say that we have a great many boards and commissions in this country at the present time. On the government and its advisers must rest the responsibility for creating economic policy such as that which has been suggested in the motion. The problems of automation and employment are extremely important, and certainly we as members of the House of Commons and the government must give serious consideration to the direction of future development.

Those groups which are mentioned in the resolution, namely government, industry, labour, agriculture and universities all have some responsibility in the matter of better employment and the problem of the changing economic scene. Each in its own field could, I believe, contribute to a better understanding of and answers to the problems. It might be that a conference of some type of the persons and groups mentioned in this resolution would be extremely helpful; but setting up a national board to develop economic policies would be, in my opinion, setting up a new giant in the field of semi-governmental bodies which is quite unnecessary.

Even if the terms of the amendment were altered or modified in the way in which I suggested, it would still be very difficult to

support it. It is put forward as an alternative to granting supply. I do not believe it is the kind of amendment that even the opposition can support. It is not a motion of no confidence; it is merely a suggestion which can be made at any other time in our proceedings when supply is not at issue.

In the wording of this amendment there is something which is faintly reminiscent of the session of 1957-58. It gives the appearance of being a non-confidence motion but in fact, even if it were accepted and passed, it could not do any harm. If this is the best the opposition can do in the nature of a non-confidence motion I feel there is not much wrong in the country.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, the amendment is not one for which I have any great enthusiasm, although my colleagues and I are going to support it. The reason it seems somewhat nebulous really lies, in my view, in the speech introducing it, in which the hon. member for Essex East (Mr. Martin), in a rather delightful wandering, much and often intercepted by irrelevant or at least apparently irrelevant points of order raised by the Minister of Finance (Mr. Fleming), really did not fill us in on just what this national advisory board which he and his party were advocating would do. The motion reads in part as follows:

> —a national advisory board on economic development and automation with representatives of governments, industry, labour, agriculture and universities,—

While no mention is made there specifically of the provinces, they would have to come in. We are left, as a number of hon. members have pointed out, with the spectre of a board that would be rather large and perhaps unwieldy. I should like to have known whether the hon. member for Essex East contemplated something like the president's council of economic advisers such as the United States government has. I think we might have merited a bit more elaboration on how this particular board was to handle two items which, although related, seem to me to be quite different in scope and scale; that is, how it was to handle the question of economic policy, which is definitely a long term matter, and the question of automation, which is of not so great a theoretical scale and which surely will have to be faced by a series of short range steps. It seems to me that to give this suggested board those two particular functions could lead to a number of difficulties.

One word that is missing from this phrase "national advisory board," of course, is that magic word to which C.C.F. speakers usually give obeisance but which Liberal speakers tend to shun. I refer to the word "planning". We are enthusiastic about planning, and it might just be conceivable that we are going to have a national planning board in the future. I do not know how long it is going to take; it will depend on the initiative, or lack of it, of this government. Perhaps a national advisory board would be a step along the way.

But irrespective of what the hon. member for Essex East did not say in letting us know what this board was going to do, we had a speech from the Minister of Labour (Mr. Starr). One of the things that intrigued me about his responsibility is that he has given us what I think is the most forthright statement of any cabinet minister in Canadian history in that he has said that his government and he, in so far as his department is concerned, accept the responsibility for unemployment.

We have had in the past governments which have committed themselves. I refer especially to the Liberal government in 1945, which committed itself to a policy of full employment. But this is the first time to my knowledge, when I have ever been able to put my finger on it, that a minister has come right out and boldly said, "We accept responsibility". I think that is very much worth while.

But when we hear the minister talk we find that he gives us a picture that is rather radiant and sunny. It is as though his government has created a magnificent beach, and from one end of the beach to the other the water is warm, is at a consistently safe level, and you do not have to worry. But then he talks about problems. In other words in this nice beach, where the water is at an average level, delightfully tepid, and where you seem to be perfectly safe, there are a number of holes into which people can slip and drown. It is this kind of unevenness, these holes, that moves me to comment that I think we had every right to expect more from this government in the particular economic field than we have received.

As I said, the Minister of Labour is a particularly bothersome kind of personality to have been projected into this particular situation. We all admire him. We like the way we are treated. When you go to him or go to his office, you can get information. The other day he made reference to the fact when one of the Liberals raised the point that some unemployment insurance commission offices were no longer giving information to members of parliament, that he had provided it to me and to the hon. member for Fort William (Mr. Badanai). This sort of thing

is commendable. We have the minister saying that his department accepts its responsibility. But what we have not got, Mr. Speaker, is any confidence that the minister either looms large enough in the cabinet or that this cabinet is interested enough in this particular problem, namely the problem of the developing unemployment crisis.

The minister quoted from the royal commission on Canada's economic prospects. I think this is probably the most overrated commission that Canada has ever had. I would say the conclusions are almost useless with regard to any government planning. The minister quoted approvingly from the report those sections in particular that dealt with the optimistic picture. I would point out to the minister that although the conclusions of this commission are very much lacking in pungency, on page 426 of those conclusions the report states:

> The fact of the matter is that the problem of preventing unemployment or of correcting a condition of unemployment once it occurs has not been fully solved. There are things which governments can do under such conditions and if they are done at the right time and with sufficient vigour and forthrightness, we may be hopeful, perhaps cautiously optimistic would be a better way to put it, that they will be successful, depending upon the circumstances at the time and particularly upon conditions and circumstances in the United States. But the business of influencing the level of economic activity in a country is a new art which is relatively untried. And there is nothing certain or foolproof about it.

I think most of us can agree with this particular conclusion; and reference is made to the fact that all the rosy predictions of the Gordon report rest on the assumption that we are not going to have any periods of severe cyclical unemployment. I do not know whether we have a really severe cycle in progress now, but I do know that as of May 5 in my own particular region, which is a prosperous one, over 15 per cent of the labour force were still seeking jobs and unable to find them. I think statistics generally indicate that we have a peculiar unemployment problem at this time, with high production but very many sore spots developing, and a very general level of unemployment that cannot be explained as frictional, that cannot be explained as seasonal and that cannot be explained simply as the result of technological change. My own assumption tends to place paramount the idea of technological change.

In my particular region, which runs roughly from Sudbury westward to the Manitoba boundary, we have the woods industry giving a rather buoyant economy at the present time. We have quite a number of mining prospects and mines in operation, and as we are in the nature of a bridge across central Canada we will always have a large number employed in the transportation field. In all three of our major industries, the pulp and paper industry, the mining industry and the transportation industry, immense amounts of capital have been inverted in recent years which have led to an unbelievable reduction in the working force; or if you want to put it another way, there has been an unbelievable increase in productivity.

I think this can best be seen in terms of the woods, where any woods manager today will tell you that with the equipment he has now he can cut three times as much wood with the same number of men as he could cut 12 years ago. Unfortunately there is neither the opportunity nor the prospect of increasing the cut of our woods so we can engage an increased labour force. Therefore we are left with the situation where the number of people needed in the bush is dropping, and dropping sharply.

Exactly the same thing is obvious to anyone who has followed the fortunes of the Canadian National Railways and the Canadian Pacific Railway; the railway employees are thinning out, and when central traffic control comes in, as it will within the next 18 months, the drop will be very pronounced.

As far as the mines are concerned the figures are not quite so startling. I can remember that at the first mine I worked there was an underground staff of approximately 100 to put up 400 tons of rock a day. I know one mine today in the same region which puts up over 3,000 tons a day with an underground force of 100. The picture we can see in our own particular region, and see it very startlingly and clearly, is that the kind of productivity increase which our large industries have been getting as the result of rather immense capital outlay has cut down labour opportunities. Of course in terms of gross size or growth capabilities or growth prospects, our future labour prospects are consequently deadened. It is impossible to build up a large population, even though productivity and the value of what we are producing is increasing, if your labour force is not expanding.

This particular condition which we suffer at the present time and which I think is going to increase highlights the need for some way out of the conundrum. We need some sort of study, co-ordination, planning, and then some kind of policy. I have no faith in this particular cabinet being able to get on top of this particular situation.

An hon. Member: They have no faith in you either.

Mr. Fisher: The hon. member interjects that they have no faith in me either, and

there is no reason why they should. They are the ones with the responsibility and we are the ones to criticize. I remember that the hon. member sat in a committee I sat on and listened to one cabinet minister and several ex-cabinet ministers all say that they were far too busy to look after this and far too busy to look after that. That is one of the most unfortunate things about cabinet ministers today; they are loaded down with so much routine that these men—and I think many members of all parties share this view—have not the time to work out the kind of policy which we need.

It was mentioned by the hon. member for Vancouver-Kingsway (Mr. Browne) that this resolution indicates a lack of faith in our civil servants. I have slightly more faith in the cabinet than I have in senior civil servants so far as their being able to work out the sort of policy decisions of the overall kind which we need in order to confront problems like automation and unemployment. It seems to me that we need some kind of internal change in the cabinet structure and some way of developing economic advice which can be used by the cabinet at the top level. This is why this particular board which is proposed might be useful.

I think those people who protest that this is just another step of creeping socialism should remember that the United States president has had this type of counsel at least since 1948. His advisers publish quite a number of reports, and their annual forecasts are looked over by a great many people. I think we should also remember that in the United States, where they make a fetish of free enterprise and private enterprise and a free market, they still have a tremendous number of agencies, both governmental and foundation, such as the twentieth century fund and the international brothers fund, all working on economic problems and developing economic policy. It seems that we have only the occasional royal commission.

To underline the need for some kind of national co-ordination, I think it should be pointed out that we have information sources, in the dominion bureau of statistics of a statistical nature, and in the national research council of a scientific kind. I know we also have some of our more regulatory agencies, such as the atomic energy board, the board of transport commissioners, the maritime commission, the aeronautics board, the tariff board, even the Bank of Canada and the controversial Coyne. In all these agencies we have knowledge and expertise, and I suppose the possibility of policy development on the part of these people. But it seems to me that they tend to be isolated. Regulators tend to short range, narrow decisions. They do not manage, co-ordinate or direct. There is little indication that any of these people are being brought together with other people outside of government, such as the Canadian Manufacturers' Association and the Canadian Labour Congress, to work out plans for meeting the type of problem which has been highlighted by this amendment.

An economist by the name of Berle recently pointed out some thoughts on planning which seem to me to be relevant here. In his book "Power without Property" he said:

> The word "planning" has fallen into the lingo of stereotyped political controversy; you are for it as a solution; you are against it as a danger. Analysis of what planning is seems to be absent.

Certainly we talk grandiosely here in this house—and I am including Conservative backbenchers particularly, during the debate on the speech from the throne and the budget debate—about various aspects of planning, and all types of advice is given to the government urging them to do this and that. The author goes on to say:

> Factually, planning is not a panacea and cannot be—

We invoke the word "planning", but planning is not in itself going to solve everything. The writer continues:

> It is a process by which solutions can be reached, not a solution in itself. Planning does not remove conflicts of interest. Each economic sector will struggle to attain the most advantageous position it can, and will not be vividly interested in the problems or difficulties of other sectors. Plans when made may be successful, or they may be hopelessly inept or oppressive.
>
> What the planning mechanism does do is to supply a means and a method by which these conflicts can be resolved. The data on which plans are constructed necessarily forces consideration and development of principles on which conflicts may be resolved, and of criteria by which solutions may be judged, revised, or improved.

Then there is this sentence which seems to me to sum up what is taking place in the United States; I cannot see it on the horizon yet in Canada.

> In economics we are slowly pounding out a sort of common law whereby conflicts of interest and moral claims of individuals may be resolved other than by brutal economic struggle.

In Canada we have always hesitated to face the consequences of the brutal economic struggle. We have today a royal commission sitting to study all the problems of transportation. This underlines how deeply the Canadian government has been committed over the years to policies of participation and intervention. We have the maritime freight rates; we have these Crowsnest grain rates which no one should really talk about because it is such a sensitive point; we have subventions for maritime coal; we have a

bridge subsidy to pay the railways for maintaining this expensive link across the country.

In connection with another aspect of transportation we find the trucking people appearing before the commission and asking for subsidies so that they too may get a share of the subsidy pie. We find the C.N.R. $50 million in debt in one year with no relief in sight in the future unless the prospects change substantially. We have the president of the C.P.R. going around and certainly not being optimistic about the future of his railway. All this seems to me to indicate that we need some kind of council, some kind of national focus. Perhaps this should be the cabinet at the present time, but I do not see how the cabinet is going to get to it. Despite the multiplicity of its sittings, where is the economic policy?

One thing which is so striking about the membership of this house, when one considers hon. members who do not come from the Montreal-Toronto golden triangle or quadrilateral, if you want to call it that, is that they all want secondary industry in their constituencies. Every time they discuss their needs among themselves, one hears this demand for secondary industry. In northern Ontario, western Ontario, in the maritimes, in the outlying parts of Quebec and on the prairies, everybody wants secondary industries. Yet there are no prospects at all for a large expansion of secondary industry in these parts of Canada and there will not be, in my opinion, until this government is ready to do something which the government of the United Kingdom has already done, namely bring in an establishment of industry act together with a definite policy of putting secondary industries into regions that are depressed or which have not enough job opportunities.

It is obvious that this government is not ready at the present time to make that kind of move, but it surely has to come. Surely this is the direction in which we have to go, and that is why there is a need for some kind of national economic board or national advisory board, as the hon. member for Essex East has put it. We know that such a board could get information on statistical questions from the dominion bureau of statistics. We also know that most of the provinces now have their own statistical bureaux. I think such a board could count on a great deal of help in research from the universities or from certain agencies in the universities. I believe we might expect the regulatory agencies which are already in existence, such as the board of transport commissioners, to be able to supply a certain kind of knowledge. But we badly need a means of bringing all this into focus, enabling us to develop a policy designed to meet these problems.

I do not wish to stray too far from this theme, but the problem of trade, for example, readily occurs to us. We have people in business associations going around the country clamouring for a change in our commercial policy, a change which would tighten it up. We know there are interests in the country which are very much against such a change, especially the people in the west. The hon. member for Parry Sound-Muskoka (Mr. Aiken)—I think he was involved—has mentioned the disquiet in many people's minds about our educational set-up. The Minister of Labour himself not very long ago expressed chagrin and shock at the number of people who were leaving school too soon without the qualifications necessary to prepare them for useful careers. These are some of the problems we have to consider. There is also, for example, the question whether we should have shorter hours to work and get down to a 30-hour week; the question of the relationship of defence planning and defence production to our economic capacity, and so on. Consideration of all these questions needs some kind of strategy board, so they may receive the kind of attention and crystallization which the cabinet does not provide at the present time.

For instance, we were very anxious, when Canadian Car and Foundry in my own area suffered a serious blow when its commercial operations were switched to Montreal, that the company should have the opportunity to produce the Bobcat vehicle for defence use. However, many people who do not come from the lakehead are saying, why should we get into a venture of this kind, and how can you approve of the creation of this particular vehicle simply as a means of cushioning a particular community from the effects of unemployment or automation? I cannot conjure up an easy solution here. I know that every one of us becomes torn between constituency interests and the national interest. But surely, somewhere, someone should be considering questions such as this and giving advice with regard to them.

We are a number of years away, I should say, from the stage where we are going to have a national planning board whose plans would be automatically implemented. The Canadian tradition has been to appoint royal commissions and get indefinite recommendations, or sometimes definite recommendations, as in the case of the Rowell-Sirois commission, and then to implement pieces of those recommendations as the political and economic situation demanded or permitted. It

seems to me we should consider that it is about time to move toward the creation of an agency such as has been suggested, to make a more modern approach to this question.

I should very much like to hear, for example, whether this country could or should guarantee the right to work, so that anyone who wished to work might know that they could go somewhere in Canada and get a job at a minimum wage, by a simple application.

Mr. Macdonnell: Would the hon. member permit a question? Could he tell us whether the act to which he referred as having been introduced in the United Kingdom proceeded along the lines of establishing a special committee from outside—presumably people with some knowledge of business—or whether the task was done by the high civil service officials inside the government? I am puzzled as to the exact usefulness of a committee brought in rather accidentally and then set to work on this very difficult problem, and I ask myself whether its members would be as capable of doing a job as a selection of top civil servants.

Mr. Fisher: In answer to the hon. member's question, as I understand it the policy has been worked out mostly by politicians who recognized the need in northwestern England, in parts of Wales and Scotland, and have taken the lead.

I am speaking on the basis of a very biased article which I recommend to the hon. gentleman. The article is entitled, "The Apotheosis of the Dilletante" and is written by Thomas Balogh. It is an attack on British civil servants for being a bunch of mandarins who, by being all-around gentlemen, sort of crossword puzzle experts, have never got around to having enough expert knowledge in any one sector to develop or elaborate policy. I feel that this criticism can be applied to our senior civil servants. There may be some excellent all-arounders, but I do not know whether we have a sufficient concentration of special abilities in some kind of co-ordinate form that will allow us to develop really positive policies.

I know that hon. members on the government side of the house will argue that there is no need for this. One would assume there is not when one listens to the bland assurances of the Minister of Finance and the Minister of Labour that everything is fine. Perhaps they are right, and it may be that time will prove them so. However, we do have enough serious problems in Canada to warrant this kind of thing. We have a country which in my opinion is economically more difficult to govern than Britain or the United States. I think it is time that our cabinet, our civil servants and the best abilities we have in the country had some means of concentrating in order to develop the kind of reports and policy suggestions that the President of the United States, for example, gets from his council of economic advisers.

The need, of course, is urgent or less urgent, depending upon your political position and the region from which you come. I know it is fashionable, especially in the house and in the open, for hon. members of the government to express all kinds of compliments. One must give credit to the Minister of Labour, who has said that this government accepts the responsibility for the problem. The hon. gentleman has admitted that there are problems in various sectors, but on the other hand he frequently tells us that everything is fine. I suggest to the minister that the unemployment problem is building up. We must recognize that a large part of our working force in Canada is becoming permanently unemployable. We therefore have to get to the roots of the problem very quickly. I do not have confidence in the minister's civil servants being alive to the problem and doing something about it.

Another question that comes up in any consideration of Canadian economic problems is where do the provinces stand? The maritimes, through the Atlantic economic council, are complaining about the monetary and fiscal policies of this government and urging that there should be some way of developing policies to help regions like the maritimes. We have had strong indications of the feelings and problems of the prairie farmers. We also have had on the part of secondary manufacturing industries a demand for change in our commercial policies. The situation in our mines and forests does not compare favourably with that of even two or three years ago. Looking ahead we can see that these industries will be in serious difficulty unless action is taken. This is especially true of the pulp and paper industry, which faces the threat of Russian competition.

With all these manifold problems which Canada has always faced but which in my opinion it faces today in a more acute form through increased competition, it is time to take action. There is the germ of a suggestion here upon which I should like to see the government act.

One of the points made by the royal commission on Canada's economic prospects with respect to the whole question of economic planning and development is this:

> The whole matter is further complicated by the very important part which public confidence has to play. If businessmen and investors are confident and optimistic, it should not be hard for governments to encourage expansion of economic activity.

We are beginning to get indicators in this area. We know that a large part of the money for our expansion has come from the United States, but we see indications that this source is beginning to decline. We have the problem of the outer seven and inner six in the European common market. We have the age-old problem of inflation. We have the Minister of Public Works being so bold as to say, in effect, that this government is not going to take exceptional action this year in order to bail out the construction industry, which is facing problems and predicaments; yet that industry is crying and howling long and loud at the present time. We know that Central Mortgage and Housing Corporation has expert knowledge in this field and a body of facts available. I also imagine it has a policy that might be fitted into a larger picture, but we have no idea what is being done to elaborate that policy.

A few weeks ago I talked to a veteran newspaper man who spoke about the changes that have occurred since this government took office. He said that a newspaper man always looks for the source of power. If he finds it in a certain place he can put his finger on the pulse, as it were; he can formulate a conception of what is in the wind, what action the government will take in certain areas, and find answers to his questions. He said that when the Liberal government was in power there were two or three places you had to look. You had to check the Department of Trade and Commerce, the Department of Finance and usually the prime minister's office. The interesting thing he finds about this government is that now the real pressure is brought to bear in one central place. If you want to find out what is or what will be cooking you go to the Department of Finance.

To someone listening to this statement this will seem to be a natural situation. It would seem that this should be the department where major decisions are taken. I suggest, however, that the Department of Finance will tend to make most of its decisions negative ones because of the very nature of the relationship of the treasury board and the fact that the Minister of Finance is the budget master who is always concerned with things along that line. I do not want to suggest that this department should not be a large source of power or that decisions should not be made by the man who is in charge of the budget and keeping our monetary affairs in balance; but if that is where the main source of power lies at the present time I venture to suggest that we will have a negative attitude, one that will not enable us to develop positive policies to meet the wide range of problems we hear mentioned by practically every hon. member who speaks in this chamber.

For this reason I suggest that the time has come to implement a proposal similar to that made by the hon. member for Essex East. The way the hon. member outlined it, I fear there would be created far too big a board or council to be effective at the start. One thing I would hope for from such a board is that the government would stop trying to represent every region, every ethnic and religious group and every branch of industry in the country, and that kind of representation mania. Surely we are at the stage where there are men in Canada who are big enough and able enough to rise above the limitations of ethnic or religious considerations or an industrial or labour background and serve as a small council of economic advisers who could be of genuine assistance to the government, and especially the cabinet in working out economic policies to enable them to face the diversified range of problems we have in Canada.

The Canadian Manufacturers' Association, the Canadian Labour Congress and the Canadian Chamber of Commerce are not organizations which you readily think of as sitting down amicably together in a given situation; yet if you read what all three organizations have been saying recently you will see that they have been asking for something like this. I really thought the lion had laid down with the lamb a few months ago when I learned that the financial editor of the *Globe and Mail* advocated some sort of over-all planning board. He emphasized that it is necessary to parcel out capital requirements for certain developments in the future so there will not be too much competition among the various branches of industry. When you have very large agencies such as the labour congress and the manufacturers' association beginning to see that we cannot meet the gigantic problems facing us without some form of co-ordination I think it is time for us to start looking at our own federal government, the role it plays and the liaison with provincial governments.

The Minister of Labour (Mr. Starr) has insisted that the government accepts the responsibility for a national economic policy. I think it is time for them to say how this responsibility is going to be met and I think it needs to be met by more than platitudes or the general bland assurance that under this government everything is great. We will be watching very closely to see how much power is given to the Minister of Labour and what changes he will make in order to carry out the indications he has given

which, even though we know this motion will be defeated, suggest that the government is going to do something along this line to meet the kind of problem that has brought about this debate.

Mr. J. R. Keays (Iles-de-la-Madeleine): Mr. Speaker, having heard most of the speeches in this debate I have come to the conclusion that the main theme of the opposition by way of a solution to a problem is the creation of a board or commission, irrespective of the results that may be obtained. They would like to have boards or commissions to look into problems affecting our economy and to tell us where the disease is and how it should be diagnosed. Unfortunately, however, they do not bring forward any recommendation as to the proper remedy to apply in order to cure the ills but leave it to the government to accept the responsibility of adopting policies and introducing the legislation necessary to cure these ills.

I assure you, Mr. Speaker, that I am convinced that under no circumstances has the government ever fallen down with respect to its responsibilities for the curing of ills.

Mr. Winch: How many boards have you appointed in two years?

Mr. Fisher: The national energy board, the board of broadcast governors.

Mr. Pickersgill: A national record.

Mr. Keays: The hon. member for Essex East (Mr. Martin) accused the government of belittling the problems facing our economy and of not being concerned with a variety of problems affecting unemployment, exports and imports, agriculture, housing and railways. As already mentioned in this debate, the government is aware of and is giving close attention to the problems in all segments of our economy. To solve these problems the opposition has introduced an amendment advocating the setting up of a national advisory board on economic development and automation with representatives from different bodies with the aim of developing economic policies designed to achieve a high and stable level of income and employment. No one will disagree with the objective of the opposition but I believe that the method suggested in order to arrive at a solution is not the proper course to follow. I have been searching for words to describe the Liberal opposition and have found them in the statement that they are a quixotic government with a quixotic mind.

Mr. Winch: Government?

Mr. Keays: Party. I am glad the hon. member has drawn that to my attention.

[Mr. Fisher.]

Mr. Winch: You had it right the first time.

Mr. Keays: They are realists but they are not too practical: I humbly submit that a little more practicality and a little less unrealistic thinking on the part of the opposition would help the government to do the things which are desired for the whole Canadian population.

The hon. member for Essex East was here in 1935. He must have been aware of the problems facing our economy at that time, but did he ever suggest the procedure he is now bringing forward to cure the ills of that day? No, Mr. Speaker, fortunately he was taken off the hook at the cost of a war.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. member would permit a question?

Mr. Keays: Certainly.

Mr. Pickersgill: Does the hon. member not know that in 1936, immediately after the Liberals came into office, an organism was appointed called the national employment commission to study the problems of unemployment of that day, and that it was not necessary for the opposition at that time to urge that kind of course because such action had already been taken by the government?

Mr. Keays: Mr. Speaker, I think the results obtained speak for themselves, and that is just what I was referring to a few moments ago. In 1935 the Conservative government brought in an unemployment insurance measure. Was it not the King opposition that claimed it was unconstitutional? After the Liberals came to power in 1935 did they not take six years to bring in the Unemployment Insurance Act even though they had claimed that the Conservative legislation was unconstitutional? As already stated by the Minister of Labour (Mr. Starr), did it not take the former minister of national health and welfare 20 years to bring in a national health insurance plan? Yet this same gentleman stands up now and expects the present government in the short period of two years to cure all the ills caused by their administration. I believe it took the dark, the bleak, the dull days they have spent in the opposition to lighten their intelligence.

Mr. Pallett: They did not have much to work with either.

Mr. Keays: Their proposals in 1956 brought about a tight money policy that crippled small industry and meant a cup of coffee every second day for the aged and nothing for the blind and crippled. How can the hon. member for Essex East be termed anything but a Johnny come lately? Is he not aware, as found on page 2387 of *Hansard* for March

24, 1960, of the committee set up by the Minister of Trade and Commerce (Mr. Churchill) and the Minister of Labour to consider the most appropriate basis for an official national measure of unemployment in Canada and to recommend accordingly, and to review the adequacy of existing statistics for this purpose? I will not refer to the balance of the statement made at that time because it already appears in *Hansard*.

Is the hon. member not aware of the advisory committee set up within the Department of Trade and Commerce to look after the interests of small business? Are members of the opposition not aware—perhaps they were absent from the house—that on March 31 the Minister of Finance (Mr. Fleming) brought in a budget designed to give buoyancy to our economy, to combat both deflation and inflation, a budget that inspired more confidence in the people of Canada than any other since 1867.

Mr. Pickersgill: I am rising on a point of order, Mr. Speaker. I think the Chair ruled yesterday that we could not revive the debate on the budget which the hon. member appears now to be seeking to do.

Mr. Keays: Mr. Speaker, I mentioned those things because I believe those are the steps which have to be taken by this government to rectify the ills of the past administration.

Mr. Deputy Speaker: I think the hon. member for Bonavista-Twillingate (Mr. Pickersgill) insists that I make a ruling on his point of order. I would say that certainly it would not be in order to revive the budget debate but I doubt that a reference to the effect of the budget, as presented, would be out of order. I would not want to cut the sentence in two.

Mr. Keays: I will abide by your ruling, Mr. Speaker. I should like to consider the effects of these different measures taken by our government to aid our economy. The output of steel has been higher than the final two months of 1959. The steel mills in the first weeks of May have turned out 120,240 tons of ingots as compared with 110,803 tons a year ago. Shipments of iron ore during March totalled 219,619 tons as compared with 190,601 tons a year ago. Then, 90 per cent of the department stores dealing in various commodities find their position improved by as much as 5 per cent to 13 per cent as compared with a year ago. The effect all this has had on our export and import trade can be gauged by looking at the statistics for the first quarter of this year which show that exports were valued at $1,219 million, 22.8 per cent higher than the corresponding period last year and imports were valued at $1,330 million higher by 9.3 per cent than a year earlier. Thus the imbalance in the first quarter of 1960 was sharply reduced to $38.7 million from the $166.2 million in the same period of 1959.

As I have said, Mr. Speaker, these have been the measures which this government has taken to give a lift to our economy. This has not been done through the creation of boards and commissions, irrespective of the assurance which the opposition gives that results can be obtained in that manner. I believe that the creation of too many boards and commissions is conducive to excessive bureaucracy. We must admit that we have inherited too many boards and commissions from the Liberal party. Very often these boards and commissions bring forward the ills from which our economy is suffering in their true light, but they always leave it to the government policymakers to initiate the methods by which these ills may be cured. Excessive bureaucracy may lead, and has led to indifference amongst business people toward political life.

Our government must, therefore, approach these problems of the present and the future in a business way, and not in a manner that will result in an excess of reports and red tape. We should actually adopt business methods to apply at home as well as abroad. When I refer to "abroad" I may remind hon. members that the methods adopted by the Department of Trade and Commerce are proving worth while today. I spoke about realism and the lack of practicality which is apparent in the opposition. They remind me of people who may be standing knee deep in the December snow while speaking about this year's tulips.

The hon. member for Gloucester (Mr. Robichaud) mentioned yesterday that the core of the problem was in finding ways of attracting capital to Atlantic provinces enterprises. When a businessman contemplates undertaking a new business does he not consult industrial experts, export and import experts and financial institutions capable of advising and guiding the prospective entrant into new fields? No true Canadian is dependent upon others to tell him the type of business in which he should indulge because he is quite capable, as time has proven, of finding his own field of activity. However, he needs counselling and this government has set up the necessary machinery to give information to those who may desire it. It would be a sad day when any government would say to an industry, you will locate in this particular area; you have no choice in the matter.

However, I agree with the hon. member for Gloucester when he speaks about the

Atlantic coast fisherman as the person in our national economy who must not be forgotten. This recalls the statements made during the 1957 election campaign to the effect that if you voted Conservative you would sell no groundfish to the United States market. This was the tenor of the remarks addressed to the fishermen of the Atlantic provinces. As a result of action taken by the Department of Fisheries, the sale of lobsters and other groundfish in the United States market has increased.

What else has been done in the Atlantic provinces? I will admit that what has been done does not meet all the desires of that area. However, this government has only been in power two years and has taken positive action to remove some of the difficulties from which the Atlantic area has suffered. Did this government not transfer 10,000 barrels of disease-resistant oysters to New Brunswick and Nova Scotia? Did it not find a new formula for the D.D.T. spray for spruce budworm which does not kill the fish? Did it no build a new vessel, the *Cygnus,* commissioned and in operation for the department in maritime waters? Did it not increase activity in groundfish investigation through the fisheries research board at St. Andrews, New Brunswick, and the board's vessel, the *A. T. Cameron*? Did it not increase the degree of co-operation between the department and the provincial administration in the maritimes, notably the development of gear and techniques, and courses for fishermen?

These and many other things mentioned by the hon. member for Gloucester have been the ways and means this government has adopted to help the economy of the Atlantic area and those engaged in the fishing industry. I will repeat that this does not represent all that is required, but I believe that anyone will realize that a government cannot accomplish everything within the short period of two years. The steps taken so far will, I am sure, prove fruitful to those engaged in fishing on the Atlantic coast.

In conclusion, Mr. Speaker, may I make reference to those divisions within the departments which bring help and information to those who require it in their attempt to bolster our economy. However, there are a few other words which are necessary, and they are those which should be addressed to industry, to labour and to management: Work harder, co-operate more and bargain harder.

(Translation):

Mr. Alexis Caron (Hull): Mr. Speaker, I should like to deal with only part of the remarks just made by the hon. member for Iles-de-la-Madeleine (Mr. Keays). He blamed the Liberal party for taking six years to set up the unemployment insurance commission.

If he had gone a little deeper into the matter, he would have seen that, as soon as the question had been submitted to the supreme court, and the latter had rendered a decision in October 1937, on November 5, 1937, the Canadian government submitted to the provincial governments a plan asking for authorization to set up an unemployment insurance commission to settle all problems that might come up from time to time.

He would also have found out that all provinces agreed, except two, those of Mr. Aberhart and Mr. Duplessis. It was only after Mr. Duplessis' defeat in 1939 that the Ottawa government was able to secure provincial assent.

It shows that, in this as in other respects, the Ottawa government wanted to respect provincial rights and that is what kept the unemployment insurance commission from being established sooner.

And heaven knows what dreadful predicament workers who are now unable to find employment would be in but for that commission.

Mr. Speaker, may I therefore, right at the start of my remarks, be allowed to offer my congratulations to the Minister of Labour (Mr. Starr).

The speech he made yesterday is probably one of the best ever heard in this house. He sought to indicate that everything is rosy and, with much ponderation, artful dodging of difficulties, and very skilful play upon words, he attempted to show that the problem is not so very important.

I may say that, for a good while he certainly managed to create that impression. It was therefore the most skilful speech he has ever delivered, and for all my being in the opposite camp, I cannot do otherwise than congratulate him and tell him, even though I do not share his views, that I enjoyed his speech tremendously.

I said a moment ago that he had played upon words. He did, and most adroitly. For instance, in referring to increased benefits, he managed to drag in the question of fishermen, and in such a way that we could readily suppose that the Conservative government had extended unemployment insurance benefits to them.

Yet, as administrative head of that department, as the man upon whom rests the great responsibility of seeing that the unemployment insurance act is applied, he knows better than anyone that it already existed when

he took office, that it was under a Liberal regime that unemployment insurance was granted to Canadian fishermen, and that if fishermen did not come under the act—our national economy being somewhat upset as you will admit, Mr. Speaker,—they would be in an appalling situation, as are in any event the other sectors of our economy.

Mr. Fortin: Because of the Liberals.

Mr. Caron: Liberal members recognize facts as they are; as for Conservative members, who refuse to admit that everything is going wrong at the present time, they will learn about it at their own cost at the next federal election.

Meanwhile, I shall go on with my remarks.

Speaking about the amendment, the minister said this: "This government does not intend to set up committees in order to shirk its responsibilities". And he added: "It would be a cabinet outside the cabinet".

Now, Mr. Speaker, would it be the first time that this government has resorted to a group of experts to look into some particular problems? I doubt whether we could find another government which has set up a greater variety of commissions, about everything and nothing, as this one has done so far. However, all those commissions that were set up were perhaps designed for the legitimate purpose of helping definite areas or special sections. What we want is a type of organization that would make regular and detailed investigations and advise the minister and the government with regard to their problems. Would the minister be afraid, for instance, that such a commission of experts might arouse him from his lethargy, in the same way as the governor of the Bank of Canada, Mr. Coyne, tried to rouse the Minister of Finance? He would be in great need of this, if we are to judge by his actions so far and the results he is now getting.

We admit, as everybody must, that the employment situation in Canada is probably the worst we have had for a very long time.

And the minister added: "What would such a committee do?" The answer is very simple. The committee might undertake a complete inquiry on economic conditions, which could be of help to our leaders. Indeed, as the hon. member for Port Arthur (Mr. Fisher) said a few moments ago, our ministers are overworked, have too much routine work to do, and probably have no time—as I fully realize—to go deeply into the situation. Have they, in their respective departments all the necessary experts available for this type of investigation? I doubt it. And even if various specialists were available in those departments, they are civil servants, and today officials are afraid to give frank and honest opinions because of the attitude taken by the government with regard to suggestions made by Mr. Coyne, governor of the Bank of Canada. Those people are afraid to open their mouths. However, if we had an outside group of experts, they would have greater freedom for a serious study and might offer some suggestions. It would then be up to the government to find out what was fair and reasonable for this country.

Such a commission might look into the employment situation and, not being connected with the government, they would have no interest in whitewashing every action taken by this administration. Then again, being no part of the opposition, they would have no interest in belittling government action. They would be independent of those contingencies. So, after a thorough-going study of the situation across Canada, they could advise the Minister of Labour who, in the presence of undeniable facts, might be in a position, if he himself has not the power to legislate, to try and convince his colleagues in the cabinet to do something about it. They could consider the particularly complex problem of unemployment, for unemployment is practically permanent at this time, and does not seem to fall off even in the summertime. Then too, there is seasonal unemployment, which requires an altogether different approach. A commission such as this independent of both the government and the opposition, and made up, not of civil servants but of employees who need not tremble at the frowns or thunder of either the minister or the Leader of the Opposition, might manage to come up with concrete, considered recommendations of such a nature as to help this government which, heaven knows, certainly needs help at this time.

For instance, it could consider the fact that men are being gradually replaced by machinery. The hon. member for Port Arthur said a few moments ago that, for the last 12 years, only half as many men as before are needed in the lumber industry. In the pulp industry and paper mills, new machines are so efficient that, in paper making for instance, only three men are now needed where 18 used to be required. Everything is done by machinery. There are devices that show where a break can occur. All the operator has to do is to push a button; the machine

stops, the repair is made, and the machine is again set in motion. Thus, in many cases, a man has only a few hours of actual work to do in a whole year, and this creates a new problem that must necessarily be solved. We cannot ask the worker himself to solve this problem; because it is not his doing. So, we must ask the government to consider the situation. But, as the hon. member for Port Arthur said, the government has no time for it, nor have the Ministers of Labour, of Trade and Commerce (Mr. Churchill), of Agriculture (Mr. Harkness) or of Finance (Mr. Fleming). Still, someone has to do it. The only people who could have time to consider it would be those men that we could pick and single out for their special qualifications in different fields of the economy and, in this way, make up for the ministers' own lack of time by making suggestions to improve the situation.

Such a commission could find remedies that could become permanent features. But no, when we talk of a committee or commission or board, it is rejected by the present government, which has perhaps appointed—at least to my knowledge—more commissions than any other. Could it be because the suggestion comes from the ranks of the opposition?

The minister said yesterday; we have read the suggestions put forward by the opposition. We are considering them. It will probably take over two months to implement them.

However, we are dealing here with something positive that does not commit the government. The government can appoint an advisory board, but it does not have to accept its recommendations. The government could later consider what had been recommended by a group of men in a position to advise. Why is the government against this? Why did the Minister of Labour, last night, try to minimize the importance of such a board? It is beyond me. This is not a motion of want of confidence in the government. I realize that the motion would raise a problem that the government could not accept. I would say that on the political side, perhaps something can be done. We are just suggesting this: that the government itself set up this commission of experts to make a study in that direction. The Minister of Labour has thought fit to say that he does not want a government within another government. I cannot recall any advisory board having been in the nature of a government within a government.

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

Mr. Caron: Certainly.

Mr. Pigeon: How do you explain that, under the previous government, when there was a fairly acute unemployment problem, no commission was appointed along the lines suggested by the hon. member?

Mr. Caron: There was an unemployment problem at the time the Liberals were in power. As I said, the Liberals have not always had it soft. They have known difficult times. However, the unemployment problem which faced them in 1953 and in 1955 did not deteriorate to the point it has reached in this country today. At that time, we had in the cabinet men like Mr. C. D. Howe, for instance, who, on finding that our United States market was declining, toured Latin America, starting with Mexico and went deep down into South America, showing those people, with the help of our industrialists that Canada was able to produce many commodities they needed. I remember perfectly that, immediately after the visit, that is, in the fall of 1955, Canada was flooded with orders. As a matter of fact, the wheels began to spin so fast that, in 1956, we were favoured with a very prosperous year, thanks to the efforts and prestige of the men who formed the Liberal cabinet.

Mr. Roland English (Gaspe): Would the hon. member allow a question?

Mr. Caron: Certainly.

Mr. English: When he speaks of the year 1956, is the hon. member unaware that, in March 1956, there were 510,963 live claims for unemployment insurance?

Mr. Caron: Mr. Speaker, I do not have the 1955 statistics at hand but I know that, as from the winter of 1956, conditions improved and that in summer and autumn 1956, we had almost record seasons for Canada. All that was due to the Liberal administration.

Mr. Pigeon: Therefore, according to you, a commission such as the one you have been talking about would have been a good thing to have set up under the former administration?

Mr. Caron: Mr. Speaker, I admit that such a commission would have been a good thing; I recognize it today.

I agree that it would have been a good thing even at the time of the Liberals. However, if at that time the Liberals felt they had no need for it, is this a good reason why this government should turn down the suggestion from Liberal ranks at a time when we are facing the worst situation ever known in this country?

It has also been stated by the Minister of Labour that the income of workers had reached an all-time high. Perhaps it has, in some cases, but certainly not in the case of civil servants. We are told of record salaries; well they have to be record salaries, in the light of the increased cost of living between 1959 and 1960.

According to D.B.S. figures,—and I shall not quote those of 1952-53,—for 1959-60, we note that the cost of food has increased by 1.6 per cent; of housing, by about 3 per cent; of clothing, by 1.2 per cent; household appliances, by 1 per cent. The cost of other services has gone up from 133 to 137 per cent. Of course workers need record wages to meet those growing costs.

The minister added that employment had reached its highest level, but if we consider the continual increase in population,—a yearly increase of 600,000,—and if we take into account an increase of about 100,000 workers, is that comparable to the increase of population? No. There is a normal increase, a natural one, which occurs under any government, be it Liberal, Conservative, C.C.F. or any other; it is the increase in population. It is necessary that it should be so, but what about those who are out of work? That is the question which the hon. minister did not answer. Yes, what about those who have no jobs? Are they happy at the thought that nothing seems to be done to help them?

Yet, Mr. Speaker, those people would be very happy to know that the government has accepted some suggestion, even one coming from the opposition, in order to find a way of solving almost permanently the problem which is causing them to suffer today. Now, the amendment moved by the hon. member for Essex East is precisely aimed at giving special help to those who are suffering the greatest hardship in this country.

My last reference to statistics will consist of figures published in the *Labour Research* bulletin, under the heading "Unemployment again, unemployment still". We find that the people hardest struck by those conditions in this country are, first of all, the Atlantic provinces as a whole, which have 18.3 per cent of Canada's unemployed; Quebec comes second with 15.6 per cent, while British Columbia has 9.7 per cent of this country's total of unemployed, the average percentage throughout Canada being 10.7 per cent.

It has been said, and newspapers have repeated it, that when the figure is higher than 3 per cent, conditions are abnormal. Well, Mr. Speaker, we are certainly facing an abnormal situation, one which demands an outstandingly vigorous policy if we want to try and settle the issues we face at this time.

In concluding his remarks, the Minister of Labour said: "When I was in the opposition, I offered criticism, but on a constructive basis." Well, sir, I have here some criticism made by the hon. minister during the 1955 session, during the debate on the address in reply to the speech from the throne. As we may see on page 78 of *Hansard*, volume I, he said:

(Text):

As an example, we in Oshawa found last year that when the rolls showed a decrease in the number of registered unemployed of something like 600 or 700 they were the people who on April 15 were cut off supplementary benefits, but work was still not available. Contracting work was not in progress and construction had not started.

(Translation):

Mr. Speaker, I am still trying to find the constructive basis in those remarks made by the Minister of Labour in 1955.

(Text):

Therefore, those people were left stranded without any financial assistance whatever from April 15 to some time toward the end of May.

(Translation):

What constructive basis is there in that part of the speech made by the present Minister of Labour, who was then precisely dealing with the unemployment situation?

(Text):

I strongly urge that the Minister of Labour consider the extension of time for supplementary benefits beyond April 15; my suggestion would be from May 15.

(Translation):

Mr. Speaker, we have asked for the same thing, and the minister did not see fit to admit we were right.

What about the whole series—

Mr. Pigeon: Mr. Speaker, I should like to direct a question to the hon. member.

Mr. Caron: You want to ask me a question? Very well, go ahead.

National Board on Economic Development

Mr. Pigeon: Under present circumstances, what is your opinion about immigration?

Mr. Caron: Mr. Speaker, if the hon. member will possess his soul in patience, I intend to refer to that in a moment, and I shall express my opinion clearly on the matter.

What did the minister do about all the suggestions made to him by members of the opposition? Since the beginning of this session, at least twenty five suggestions to improve the situation have been submitted to him. He told us yesterday that he was considering them but the process seems to be rather slow at this time.

Our municipalities are shouldering responsibilities which belong by rights to the federal government. Our municipalities have to support, house and clothe, and feed families of workers who no longer get unemployment insurance benefits. Such is the burden falling upon the municipalities, which are not responsible for the situation. And was it not the present Prime Minister who said, in 1955, that unemployment was within the jurisdiction of the federal government and of no other authority?

Our municipalities are hard up; they have trouble making both ends meet. They are spending so much on welfare that they are wondering where they are going to end up in a year or two. If the situation goes on, we will have more bankrupt municipalities than ever before in our history, and the carelessness and inaction of this government will be to blame.

Mr. Pigeon: Mr. Speaker, may I make a remark. May I point out to the hon. member for Hull that the government of the province of Quebec foots the entire public relief bill.

Mr. Caron: Mr. Speaker, I am willing to allow questions, but I will not accept speeches within my speech, no more than the minister will accept a government within a government.

Mr. Ricard: Therefore, he is right, is he not?

Mr. Caron: Mr. Speaker, I am not saying he is right. I am just saying I refuse to accept it, that is all.

The amendment proposed by the hon. member for Essex East is precisely the remedy we need to end this situation. Canada's unemployed—particularly in large cities, when they are now reduced to begging—would be very pleased to see the government accept this amendment. They would see a ray of hope in the fact that the government, which so far has been unable to cope with the unemployment situation, is calling upon experts to try to find a way out.

Mr. Speaker, while hundreds of thousands of workers are walking the streets, seeking employment, the Minister of Citizenship and Immigration (Mrs. Fairclough)—I am coming to the point—authorizes the publication of advertisements such as that one in a Belfast newspaper, where jobs are being offered to accountants, aerodynamicists, architects, beauticians, bookkeepers, cashiers, bricklayers, butchers, meat cutters, etc. The list goes on and on.

As evidence of the inconsistency of the government's policy, here is something that happened recently. A gentleman from Hull, a meat cutter with years of experience, called on me and asked me to help him find a job. Confident by reason of the fact that the department of immigration, presumably in co-operation with the Department of Labour, had been advertising jobs available in Canada, this gentleman, as I say, sought my help in finding a job. Quite pleased at the prospect, I wrote the following letter to the minister:

The Hon. Michael Starr,
Minister of Labour,
Confederation Building,
Ottawa, Ontario.

Dear Mr. Minister,

When I received a copy of the invitation to come to Canada, extended to several trades in Belfast, Ireland, by the Minister of Immigration I wondered whether we really had no Canadians able to fill at least some of those jobs.

In the list, I find "butchers and meat cutters", and I know that the unemployment insurance office does not seem to be aware of any scarcity in this trade, because Mr. Rene D. Lamothe, 135 Montcalm street, Hull, who has 25 years experience in meat cutting and slaughtering, and who is now in receipt of unemployment insurance benefits, has not been offered this type of employment.

As the unemployment insurance commission does not seem to be aware of opportunities in this field, could you let me know to what department Mr. Lamothe should offer his services?

I shall be looking foward to an early reply.

Yours truly,

Alexis Caron,
M.P. for Hull.

Here is the minister's reply, dated March 24:

I acknowledge your letter of the 18th—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member. I realize that he was drawn into this matter by the hon.

member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), but I would ask him to relate his remarks to the appointment of the committee referred to in the resolution that the house resolve itself into committee of supply.

Mr. Caron: Mr. Speaker, once a question is asked, one is placed at a disadvantage in not being allowed to answer it. I do not think it is in line with the traditions of this house to subject an hon. member to such a situation. The hon. member wanted to know something about immigration, and I just happen to have a case for him, which shows the inconsistency of the government's present policies. However, your ruling would deny me an opportunity to discuss it. Preventing me from replying to the hon. member for Joliette-L'Assomption-Montcalm would be going rather far, I think. If I must comply, I shall in future refuse to accept any questions, because I do not enjoy being gagged. When asked a question, I like to be able to answer it.

(Text):

Mr. Pickersgill: Mr. Speaker, may I say a word on the point of order Your Honour has raised? It appears to me that as my friend the hon. member for Essex East (Mr. Martin) is recommending a motion to the house for a commission to study economic development it would be a very odd kind of commission that would study economic development without taking account of the effect of immigration on that development and the relationship of immigration to the whole problem of employment. I submit that even if there had not been a question asked of my friend from Hull (Mr. Caron) he would be quite in order in terms of the motion.

Mr. Deputy Speaker: I agree. My invitation to the hon. member for Hull was to relate his remarks to the subject matter of the motion before the house. The hon. member certainly may discuss immigration in relation to the commission or the board the establishment of which is recommended by this motion. That was the only ruling I made.

(Translation):

Mr. Caron: Mr. Speaker, that is exactly what I intended to do, on the basis of the amendment which has been introduced. I note it is to be a board of advisers on economic matters and automation.

This ties in with the fact that we are asked, in certain quarters, to admit immigrants, while we have 800,000 unemployed in Canada.

I think that if the minister of immigration could count on the co-operation and advice of a board such as this, it might help her develop the proper policy to follow and would prevent abuses on the part of certain companies which are authorized to request immigrants.

I will sum up—

Mr. Pigeon: Mr. Speaker—

Mr. Caron: No questions.

Now, Mr. Speaker, the minister replied that he had asked the Hull office to keep on trying to find a job for Mr. Lamothe in his particular trade. Mr. Lamothe is still unemployed, and that was in March. Why? Because there is no organization within the government; because there is no organization within the departments of labour and immigration to solve those problems which should indeed be solved, and I suggest the government is responsible for that. I am of the opinion that the people are in need of something more definite, more concrete and better organized than what we have at the present time.

Mr. Pigeon: Mr. Speaker, may I say—

Mr. Caron: No questions, I will not answer them.

Mr. Ricard: They are too embarrassing.

Mr. Caron: If a board such as this had been set up last year, it could have been of great service to the Department of Labour, which is causing the depletion of the unemployment insurance fund to bear upon only two groups of our population, namely employers and employees, whereas the unemployment problem is the concern not only of two groups but of the whole Canadian economy and of all Canadian taxpayers.

In spite of what he did, the unemployment insurance fund keeps being drained at such a rate that it will be in pretty bad shape next winter if the situation remains the same. Again, I say that we need a committee of experts, a board, and if we do not accept it, the proper authorities will have to assume the responsibility. Don't you believe, Mr. Speaker, that such a board could held solve all economic problems?

Recently, on April 28 and, therefore, not very long ago, I received from the president of DuPont of Canada a copy of his annual speech delivered before the board of directors of that company.

Here is what that man, free from all political ties and concerned solely with the administration of that company, said:

(Text):

For the moment let us speculate on just how a comparative balance sheet of Canada's national

economic position would appear if one could be prepared along the lines of that of an industrial corporation. On the asset side, the major change would be a notable increase in the value of productive fixed assets. This in itself seems good, but does it tell the whole story? A security analyst examining a corporate statement would want to know how this was financed—from earnings retained in the business, from borrowings, from a merger or from the company not paying its bills. More intensive analysis of Canada's balance sheet would show him cause for concern.

There is nothing wrong with debt provided it is incurred for productive purposes and provided there are definite means to repay it as it becomes due. But Canada's financial statements would show that much of this debt—money borrowed to meet the deficit on international payments—was in fact incurred to pay for food, clothing, travel and other items which have long since been consumed. Our national picture is like a corporation borrowing funds in order to pay out dividends in excess of earnings. Surely any corporate president going before his shareholders with such a set of financial statements would be called severely to task.

(Translation):

I think, Mr. Speaker, that this is the finest account I read recently of the general economic situation of Canada.

The suggestion, proposal or amendment—you may call it what you wish—of the hon. member for Essex East (Mr. Martin) suggests a way to cope with the situation.

The definite purpose of this proposal or amendment is to attempt to find methods likely to cure the ills that beset our economy.

Besides, suggestions have been made to the Department of Labour but the same answer is always given: No. Those people do not want a government within another government.

On February 1 of this year, as reported on page 550 of the English version of *Hansard*, the following question was put:

(Text):

Asked by Mr. Martin whether the government had given consideration to the proposal for a conference of representatives of labour, government and management to deal with unemployment, etc., made by the president of the Canadian Labour Congress three weeks before, the Prime Minister said: "The answer is no."

(Translation):

This is the way this government, which is always in some predicament, replies to the proposals of the opposition.

The member for Iles-de-la-Madeleine (Mr. Keays) charges us with not putting forward any suggestion; yet the minister said yesterday that he received 25 suggestions and that he was considering them.

Mr. Speaker, after the 1958 election, the Conservatives said they had a rendezvous with destiny.

Well, they lamentably missed their rendezvous with their promises, having promised

to do much better than they have done. The Prime Minister, even at the risk of breaking section 65 of our election regulations, promised work for everybody, which is not allowed under the Canada Elections Act. He did not provide work; he gave unemployment to almost everybody.

Mr. Speaker, here is what the minister of immigration (Mrs. Fairclough) had to say in 1955:

that the government should immediately consider plans to remedy this critical situation, and to take whatever action is necessary to establish a long term program to promote employment, such program to be submitted to parliament during this session.

We have not gone that far. We are only asking the government to accept the advice of experts selected outside parliament, who are not members of the Liberal or of the C.C.F. or of the Conservative group, but with extensive knowledge in the economic field, who could indicate to the government what can be done to improve the situation which is deteriorating all the time.

(Text):

Mr. Paul Martineau (Parliamentary Secretary to the Prime Minister): Mr. Speaker, in dealing with the amendment proposed by the hon. member for Essex East we could first of all consider the reasons for his proposal that a national advisory council be set up. That proposal if I understood the hon. member correctly, was based on his assessment of the present economic situation facing our country. Having referred to these reasons, if by any chance they were found to be sound, then we could perhaps go ahead and analyse whether or not the setting up of an advisory committee or board would be the solution to the problems which, according to his assessment, are facing this country.

In a nutshell, Mr. Speaker, I believe that he has pointed to a deteriorating economic climate and a general weakness in the economy. Since yesterday—previously too, of course—I have examined some of his arguments in relation to the economic situation facing our country at the present time and I have come to the conclusion that if there is much that is deteriorating and shabby it is certainly not to be found in our economic condition but can be found, I believe, in great abundance in very many of the deteriorating and shabby arguments that the opposition has been putting forward. I say that they are deteriorating and shabby. They are repetition, continuous repetition that adds nothing new to the question and does not advance the solution one iota.

Yesterday the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets), a good friend and a man whom I respect very much, uttered some profundities. He said that we will never solve the unemployment problem by making speeches. Coming from the source that it did, that was certainly a profound observation because all that hon. gentlemen have been doing since the house started on January 14 is to make speeches and not speeches throwing any light on the subject.

Mr. Pickersgill: On a point of order, Mr. Speaker, I believe it is completely against the rules of the house to reflect on debates that have already been closed. It seems to me that is all the hon. gentleman is doing. Since, according to my reading of yesterday's *Hansard,* members on this side who have spoken were restricted severely to the motion before the house, it seems to me that the same rule should be applied to the parliamentary secretary to the Prime Minister above all members of the house.

Mr. Martineau: On the point of order, Mr. Speaker, I should like to say that what I have quoted is part and parcel of this debate because they are words used by the hon. member for Maisonneuve-Rosemont yesterday in the course of this same debate.

(Translation):

Mr. Deschatelets: Mr. Speaker, I rise on a point of order. I do not think you have disposed of the point of order. Could the hon. member read from *Hansard* that portion of my remarks?

(Text):

Mr. Deputy Speaker: Order. I do not think this question is relevant to the point of order raised by the hon. member for Bonavista-Twillingate. The rule is that no one should reflect on a decision of the house but I do not think it has been applied to mean that nobody can make any reference to a speech already made by a member of the house in the course of another debate if the question decided in that debate is not brought into the discussion. Therefore I do not see that the hon. member for Pontiac-Temiscamingue has committed any breach of the rules up to now.

Mr. Pickersgill: With great respect, Your Honour, I was listening to the hon. member and he was entering upon a discussion of speeches made by members of the opposition since January of this year.

Some hon. Members: No, no.

Mr. Pickersgill: It is a well-known rule of the house, sir, that you cannot go back and revive debates or quote from debates of the same session. You can quote from debates in another session but not in the same session, and it seems to me that the hon. gentleman should be held to that rule. I am not asking for any restrictions upon hon. members opposite that are not put upon us but I think we should be treated equally.

Mr. Deputy Speaker: I think the Chair has treated everybody in the same manner up to now. I would point out to the hon. member for Bonavista-Twillingate that there is a difference between reviving a debate and reviving a statement made by an hon. member.

Mr. Martineau: Mr. Speaker, I believe that the interjection by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) is only another indication of the weakness of one of the arguments we have heard from that side of the house in the course of this debate. In order to oblige the hon. member for Maisonneuve-Rosemont, who asked me to quote the particular section, may I be permitted to refer to page 2175 of *Hansard* of March 15 where he is reported as saying:

(Translation):

> Mr. Speaker, the Liberal members from the province of Quebec rightly believe that the unemployment problem will not be settled by dint of speeches.

Mr. Deschatelets: That is why we want a national advisory board.

(Text):

Mr. Martineau: Mr. Speaker, that is the reference I was making. To substantiate his assessment of the weakness of our economy the hon. member for Essex East referred yesterday to imports. He did not say that the position was weak with regard to exports. He simply said that there are indications of elements of strength in our export situation. He thought he was making a great concession, but after saying that he went on to say, "But can these increases in our exports during recent months be maintained"?

Certainly the export picture right at this juncture is very good indeed. In every succeeding month since September of last year there have been increases in the volume and value of exports, and during the first quarter of 1960 exports reached a figure of over $1,200 million. That was an increase of some 22 per cent over the corresponding period of 1959.

At the same time our imports, it is true, increased but they increased much less rapidly than our exports. Our imports increased by 9.3 per cent and therefore our import imbalance picture improved very substantially in the first quarter of 1960. The import imbalance is down now to some $38 million whereas it stood at something like $162

million for the first quarter of 1959. Surely such astounding progress, on the one hand a 22 per cent increase in exports and on the other hand only a 9 per cent increase in imports, is not a basis for pessimism and is not a basis upon which the hon. member for Essex East can come to the conclusion that we are faced with this great, this terrible weakness in our economy, a weakness which I suggest lies more in the arguments of the hon. member. That was one of the points upon which his amendment was based.

He also picked out certain other elements where he felt there were weaknesses. Before we come to that I should like to say a further word about exports. Many people have been, and I suppose justifiably, asking themselves, what is going to happen next? Our exports have been holding up well. They held up well in 1958 which according to everybody was a depression year. However, there was no significant drop in our export figures for 1958. There has been a substantial increase in those figures for 1959 and today we are starting a new year. We have completed one quarter of that new year and we have chalked up a record in volume and value of exports.

In view of that encouraging picture can we be satisfied that there is reason for the anxiety and gloom exhibited by members of the opposition? When I hear these members of the oppositon speaking I am reminded a bit of a bunch of spoiled children. They have had everything that their little hearts could desire, but they are not satisfied because they think that sometime in the future perhaps things will not be as rosy. I believe that is a correct appraisal of the attitude which these hon. members have adopted. When we look at our export situation we can see important problems developing, perhaps as some have suggested through the formation of trading groups in Europe or the emergence of a new industrial trading giant such as Japan. It is up to the people of Canada, under the leadership of the government as that leadership is being provided now, to find a solution to these problems and assure that the progressive trends in our export trade will continue.

There is, as people know and will readily admit, great prosperity in Great Britain and in the countries of western Europe. These countries have become so prosperous in recent months that they have lifted import restrictions. They have gone all out to increase their volume of trade. I submit that this provides another great opportunity to our Canadian exporters to fulfil the needs of the people of these countries who are now prosperous and who are now increasing their standards of living to a degree they have never experienced before. Instead of looking at our export figures and asking whether or not they will be maintained, I submit that hon. members of the opposition would be better advised to try to point out to the people the true facts and the unparalleled opportunities for greater sales which would result in greater progress in Canada. I must say, therefore, that in so far as the weakness in our export trade is concerned as mentioned by the hon. member for Essex East, that weakness exists only in his own imagination and in the fallacy of some of his arguments.

Again I must say that the hon. member picks out of our whole economic situation a few choice items such as construction, and he seemed greatly perturbed about the fact that construction was going downhill. In the last week's issue of the *Financial Post,* I have just seen the report of the MacLean building survey. According to that survey there has been an increase of 26.5 per cent in all types of construction as compared with the first quarter of 1959. This report admits that during the first quarter of 1960 residential starts were down as compared with last year. It was stated, however, that this decline was more than offset by progress in industrial, engineering and commercial construction. I say again, therefore, that when the hon. member for Essex East bases his amendment on weakness, he must look elsewhere than in the construction field. And so it goes all along the line.

The hon. member mentioned, for instance, that there was a decline in the output of automobiles during one week. It is, of course, quite understandable that he would be interested in this subject because he represents a Windsor constituency. He just picked out one week. I was looking at some of the automobile production figures, and I found that in March there had been a substantial increase in production over 1959. There is no doubt that 1959 was a year of great recovery, and there is no doubt that 1960 will be a record year. The *Financial Post* as late as last week stated that all indications, taken as a whole, pointed to the fact that 1960 will be a record year unequalled by any of the past years, including all of the great years of prosperity, so-called, which my hon. friends say occurred under their regime. The *Financial Post* has not, as yet, revised its opinion. The article stated that this record year would be experienced by most firms in most industries. Now that was quite a sweeping survey of all spheres of activity, and after making adjustments for some declines in certain fields, it is stated we will have a record year.

In so far as residential construction is concerned, according to the latest survey there

will be a marked improvement as more and more conventional lenders come into the field. The hon. member, therefore, was giving a very shaky reason for the establishment of that much vaunted national advisory council which he recommends in his amendment. If we look at the recent speech made by the president of the Toronto-Dominion Bank, Mr. A. C. Ashforth, we find that he says the year 1960 will see a contained boom in Canada. There is every reason for optimism concerning economic conditions in this country.

I do not want to burden you, Mr. Speaker, or the house with a long series of statistics. However, everywhere we look we can see indications that 1960, presenting as it may formidable obstacles, will chalk up new records which will be the result of the industry of the Canadian people supported by vigorous leadership as exemplified by the present government.

Mr. Deschatelets: What about unemployment?

Mr. Martineau: I have mentioned that before and I am going to mention it again, Mr. Speaker. I am glad my hon. friend mentioned unemployment. I treated a bit of it at the start of my speech. However, a certain phrase used by the hon. member for Essex East struck me forcibly because it stirred vague memories of its having repeated many times in the past. With a great show of concern and with his face wrinkled by the preoccupations which he felt—and which I have every reason to believe were sincere—he said, "We now have a hard core of unemployment in this country". He said that as if he were finding something that came from high above, as if he had received some sudden inspiration on the spur of the moment as to this hard core of unemployment in this country; and he spoke in such terms as to lead this house to believe that this was recent invention and that it had been invented by the present government.

I was a bit curious about that reflection and I went back a few years. I happened to be reading a speech made by no less a personage than a former minister of finance of this country, a highly respected man; I refer to Mr. Dunning. This speech was so enlightening that I believe it merits quoting here. I refer to *Hansard* of February 25, 1937, page 1217. These words were uttered by Mr. Dunning, the then minister of finance, in his budget speech of that year:

> Still more disheartening to most observers is the failure of the numbers on relief to decline proportionately with the revival of business... However, to those observers who look for an early end to the relief problem the decline during the past year will appear discouragingly small.

Then he went on to say this:

> It is probably true, Mr. Speaker, that a hard core of unemployment and relief will always remain... Even in the best of times, we have always had unemployment, but the unemployed have not been "in the statistics" nor a charge upon public funds to the same extent as today.

There you have it, Mr. Speaker. In 1937, not under a Conservative administration but under the great Liberal regime, almost two and a half years after it had taken power in 1937 on the promise that it would solve once and forever that great problem of unemployment, the minister of finance of that day admits tragically to the house that there was then a hard core of unemployment and that it would remain with us in the best of times. Yet today members of the opposition come here and say, "We have the answer to that hard core and the answer lies in the establishment of a national advisory commission".

That proposal may seem fairly sensible to a great many people. Certainly on its surface it looks to be appealing. But again I think it is always a good thing to look back into the record in order to see whether similar situations have ever existed previously and whether similar remedies were applied and, if they were applied, what were the results.

We remember 1935. We remember the great campaign carried on that year. It was an election year and Mr. King rode back into power on the promise of solving that big unemployment bug which was then plaguing the country and with regard to which no session passes without ample reference being made. His remedy to the problem was precisely the establishment of a national employment commission. That sounds very much like a national advisory council to look after full employment, automation and related problems. Hence one of his first gestures after assuming power was to bring forth that child of his brain which he had long nurtured.

It is extremely interesting to follow the progress of that commission throughout the years during which it worked. First of all, we have its establishment in the early part of 1936; I believe it was January. It was established then. That was already six months after it was promised but nevertheless it was established and persons were named to this commission and were supposed to get to work. When Mr. King made his much heralded promise during the election campaign of 1935, he pointed to an unemployment figure during that summer of 1935 of some 400,000 persons.

Mr. Winch: I hope the hon. member has enough time left to get to 1960, 1961 and 1962.

National Board on Economic Development

Mr. Martineau: We are getting there presently. If you take one thing at a time you never go wrong. I can understand the impatience of hon. members opposite in skipping those years. They always want to have this country believe that unemployment was a problem which was created in 1930 and which promptly came to an end with the ascension to power of that great Liberal regime in 1935. But let us face the facts as they are. If we analyse correctly the performance of our economy and the performance of the past administrations, perhaps we shall get to the root of the problem and find the correct answer. I am making my speech now. The hon. member has made his speech. He had his little say. Now let me have mine.

So, Mr. Speaker, we are back in 1937; and in that year in parliament there were many queries as to that famous national employment commission that had been set up. On going through the record we find that by the middle of 1936—oh, the commission had done a great deal of work—the government had issued 35 orders in council whereby they appointed all sorts of people and bought all sorts of the most modern equipment of that time to launch their famous commission. In 1937 parliament again convened. There was a debate on this national employment commission and we find that the unemployment figures were stable. In 1938 we find the same thing again; it is repeated all over again. It is on the record. If hon. members care to look it up they may read the debate on the national employment commission and get the facts.

By 1939 this commission had been in existence for three years. Up to that stage it had spent in excess of $325,000. I should like to point out that this was a formidable sum, even by today's standards. In those days it represented a substantial portion of the government's revenue. They had spent that sum and finally they came out with a report. The commission was established on the assumption that it would be an indefinite commission. It was not formed for any special time. It was something which most observers thought would last forever or as long as that government existed, at any rate. But by 1939 the Liberal administration was so proud of its infant that it promptly disbanded the commission entirely as soon as the report was out. The report was tabled in the house with great fanfare and then quietly and promptly buried and forgotten.

Of the many recommendations which were contained in the commission report, none was enacted in that year, 1939. Here we are in the fourth year after the Liberal regime, the men who were going to cure this great unemployment problem. They had this commission and at the same time unemployment continued its same course of stagnation and was as much a serious problem in 1939 as in 1935. As a matter of fact—these figures are all contained in the record—by January or February of 1939 there were over one million people receiving relief in Canada. This despite the four years of that great administration which was going to cure unemployment and which had devised that child brain of its leader, their great unemployment commission, to solve that problem once and for ever, eradicating it from the face of our national economy.

Mr. Speaker, in the face of that remarkable performance can we take seriously the amendment moved by the hon. member for Essex East? First of all he bases his amendment on the great deteriorating state of the economy—which facts and figures prove to be otherwise—and second he proposes a remedy that has already been tried. When that commission sat for three years and tabled its report no step was taken to improve the unemployment situation. So I can only conclude that this amendment is certainly not a remedy in 1960. I have full confidence in the measures that this government has taken, is taking now and will take in the future to meet the problems of the day as they arise. In 1957 everyone said we were in a recession. The year 1958 was supposed to be a recession year. Our government did take certain measures. As hon. members know, they increased by a substantial amount the money supply. Government expenditures were vigorous and pronounced. Taxes were reduced. These measures were all adopted by our administration and as a result recovery was initiated in 1958. In 1959 when the corporations, businessmen and the population at large were engaged in the performance of the year that was just ending, everyone agreed it was record year in almost every phase of Canadian activity.

I am telling you that to show the hon. members that this government has taken measures. Some of them were said to be very vigorous. They were all adopted and they were all appropriate to the needs of the times. And they all performed their useful function, namely putting an end to the Liberal-induced recession and bringing back a period of prosperity which we have enjoyed and which we will continue to enjoy.

Hon. members say that in 1960 things are pretty good but there are clouds on the horizon and things will not be quite so good later on. I have full confidence in what has been done. This government has advisers; it has economists; it has whole armies of people who are taking the pulse of the

economic life of this country and who are suggesting to the government the measures which should be taken. Our government has the responsibility of decision. When the facts are before the government the government will act. Past performance is a gauge and guarantee of future success in solving these problems.

I just want to leave one parting thought. The government has shown that it will take every measure that a government can take to restore confidence in this country, but in the last analysis success or failure depends not on the many speeches which have been made here either on one side or the other. It reposes in the determination of the people themselves, in their confidence. I think that we should reflect on what has happened in Europe after the last war and how Great Britain has recovered. I was in Britain during the last war as were many other hon. members here, and we all know how they faced problems which had no comparison with the present problem facing our own country today. Britain and other countries in western Europe have staged a dynamic recovery despite great odds. Is it unreasonable to assume that if our own Canadian population, which has received so much in the post-war decade, not so much because of what the government might have done but simply because of a variety of circumstances beyond our control, were faced with obstacles it would not rise to conquer those obstacles so that our chart ahead would be one of continued and solid progress? That is why I think that this amendment is only another one of these smoke screens and must be dismissed. Let us get down to some serious business.

Hon. Paul Hellyer (Trinity): Mr. Speaker, this motion calling as it does for the setting up of a national advisory board on economic development and automation to recommend policies designed to achieve a high and stable level of income and employment is very timely. The solution to Canada's most urgent domestic problem cannot be further delayed. It is crying out for action. Canada cannot afford to have the level of unemployment which has been existing.

May I quote from an article which appeared in the *Globe and Mail* of Tuesday, April 26 entitled "Diversification believed answer to unemployment". In part the article says:

> Canada cannot afford the luxury of either keeping a large number of potential workers idle, or of supporting them. In a carefully prepared study of unemployment and the present day importance of secondary industry, H. B. Style, president of John Inglis Company, has pointed out it has cost $900 million in the past two years for unemployment insurance, with more than 8 per cent of the labour force idle, future growth is threatened, for we are not offering the opportunities to hold our young, ambitious youth, nor to attract productive-minded immigrants.

It is true we cannot afford this idleness. It is a waste of human resources and assets which cannot be allowed to continue. You can bet your bottom dollar that the Russians do not pay out $900 million in two years for idleness; they make sure their people are productively engaged, and when we are engaged as we are—

Some hon. Members: Oh, oh.

Mr. Ricard: That is a nice statement.

Mr. Hees: Another Cyrus Eaton.

Mr. Starr: He would rather live with Khrushchev.

Mr. Hellyer: —in a struggle with a godless ideology we will certainly have to do some streamlining of our system to make it more attractive as well as more productive.

This problem is not of a single cause. It is a complex thing but it is one which is capable of solution. In the Unemployment Insurance Act we have undoubtedly room for some irregularity. This was pointed out by the parliamentary secretary to the Minister of Labour (Mr. Thrasher) recently when he said in a speech that there were cases of fraud being perpetrated against the Unemployment Insurance Act.

But this does not mean, as some supporters of the government are trying to convince the people at large at the present time, that anything like the bulk of those who are registered for employment in this country are slackers. Far from it. The large majority of the people registered for employment at the present time are honest, industrious people who ask nothing else than the opportunity to go to work and to earn for themselves their daily bread. That is a right which we could not deny them. It is a right which we cannot afford long to deny them.

As I said before, there are several factors involved in this unemployment situation. There is unemployment which has been called seasonal, and that which is known as frictional which occurs when a person leaves a job and is waiting to find another. There is also the hard core of unemployment which has grown up in the last two or three years and which seems to have been caused by automation. Then there is, perhaps, unemployment from other causes. We know this is a complex question, but we do know one thing else, and that is that this government has no solution and that its actions have not been equal to coping

with the situation. The Prime Minister (Mr. Diefenbaker) said in this house on January 19, 1959:

> We have with decisiveness met the problems as they have arisen. We intend to continue to do so. We realize the unemployment problem as it is. We have acted. We are now criticized for having acted, in effect, because, having placed $750 million in one stream, namely the housing plan, naturally there would be inflationary influences. I believe our first responsibility is to assure that everything will be done in order to meet the situation of those who, by reason of conditions over which they have no control, find themselves unemployed. That is what we have done. We did it in connection with the unemployment insurance. We extended the period. We did it in connection with the winter plan. We have done it in connection with housing, with public expenditures and with public works. That course we intend to follow in the days ahead.

Whatever the course that has not been followed; whatever the plan that has not been successful; whatever the government has undertaken has not been good enough, because the problem today is as bad as it ever was. In fact, it is worse in its effect than at any time since the thirties. In determining the nature of this problem it is necessary to obtain as much additional information as possible. Again, if I may, I should like to quote, this time from the *Globe and Mail* of February 19, 1960. This is from an editorial which reads, in part:

> So who is unemployed, and where and why? This is the point, and this is the question all parties should ask if unemployment comes up for general discussion in the commons today. It is not a matter of opinion but a matter of fact that Canada has chronic labour shortages in several fields at this time in occupations which require high skill or training. This newspaper is willing to accept it as an equal matter of fact that Canada has temporary or chronic labour surpluses in certain other fields. Which are they? If we knew precisely what skills were in shortage and to what extent; if we knew precisely what skills were in surplus and to what extent, we could discuss unemployment, and act upon unemployment, more intelligently both inside and outside parliament.

Surely a break-down could be obtained without too much difficulty. Surely a census could be made of those who are registered as seeking employment. We can find out who they are by age, by training, by experience and by any other category which might be felt to be helpful toward determining a solution of this perennial problem. If, at the same time, those who are unemployed but who are not registered were asked to do so for the purpose of the breakdown, an accurate picture of the problem would emerge. Next year the decennial census will be taken. This involves the asking of questions in relation to 18 million people. I suggest it would not be difficult to take a census involving some 800,000 people. This should be done at once without further delay, because the information is badly needed.

In the meantime, some things are obvious even to casual observation. The government's program—if one can dignify it by calling it a program—has been inadequate. The winter works program was too little and too late. It was discriminatory in its application.

Mr. Deputy Speaker: Order. May I call the hon. member's attention to the direction given by the Speaker and by myself up to now that this amendment does not permit a discussion of the policy or lack of policy of the government in relation to employment? Of course, if the questions which the hon. member has been discussing could be resolved or settled by the establishment of the board which has been suggested, that would be in order, but up to now he has not related his comments to the setting up of such a board as the amendment seeks to establish.

Mr. Hellyer: That is precisely the tenor of my proposal. It is that such an advisory board would, I am sure, recommend action along many of the lines I have been suggesting, including the carrying out of a survey and the compiling of a breakdown of the labour force in order that we might know exactly what the problem is and how we could best cope with it.

As I also mentioned, the government embarked on a housing program. This was very highly touted. It was much talked about and much bragged about, and if it contributed to employment in the past, then the reverse must be true now. The level of housing, and consequently of employment in housing and the allied industries, has fallen off markedly. The Secretary of State for External Affairs (Mr. Green) when he was minister of public works stated in this House of Commons on February 4, 1959:

> Completions for 1958 numbered 146,686. This again is a record and above the highest figure before, which was in 1956, namely 135,700. At the end of the year, there were under construction 88,162 houses. This, again, is a record, the previous high being 79,339. As I pointed out, one of the main objectives was to help create employment by this housing policy. There can be no doubt but that house-building in 1958 has set the pace for all activities in Canada. It has been in the forefront of economic activity in Canada. We estimate that during the year there were probably 200,000 man-years of employment provided by on-site construction alone. This means about 400,000 jobs because it takes about six months to build a home.

If that is correct and if the Secretary of State for External Affairs was accurate in the figures he used at that time, and when housing has fallen off this year again due to government policy by one quarter to one third, as it has, then the number of jobs must have fallen equally by 100,000 to 135,000.

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

Mr. Hellyer: Certainly, Mr. Speaker.

Mr. Walker: Thank you very much. Does the hon. member for Trinity realize that in the year 1960 we expect to have one of the greatest years in the history of Canada for completions of houses? We expect to have 140,000 completions. We had a carryover of 82,000 houses at the beginning of the year and, taking half of the estimate of 120,000, that would be 140,000 for this year. I just wondered if my hon. friend realized that.

Mr. Pickersgill: Is that a question or a speech?

Mr. Hellyer: That is a rather long question, Mr. Speaker, and it tended to impart a certain amount of information that is not borne out by the statistics.

Mr. Pallett: The statistics of the Martin bureau?

Mr. Hellyer: My hon. friend seems not to be statistically inclined this afternoon. If the minister would take the starts for the first three months of this year and adjust them seasonally he would find he would be lucky if there were 125,000 housing starts this year and the latest estimate is that considerably less than that number of houses will be started. On that basis it is true that 100,000 to 135,000 less jobs will be available for Canadians.

One other important factor I should like to mention is that there is not one really big national program under way at the present time, not one program of the magnitude of Kitimat, the trans-Canada pipe line, the St. Lawrence seaway or the Avro Arrow. This is the first time in ten years there has not been one of these big projects under way.

Mr. Regnier: Mr. Speaker, I submit that the hon. member is not discussing the amendment but is discussing unemployment.

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

Mr. Hellyer: Yes, Mr. Speaker.

Mr. McCleave: Has the hon. gentleman heard of the South Saskatchewan dam?

Mr. Hellyer: Yes, Mr. Speaker, I have heard of the South Saskatchewan dam. Although I sincerely hope it will be beneficial to that region of the country it is not of the same magnitude as those projects I have mentioned. This is the first time in ten years there has not been one of these major projects under way. The Right Hon. C. D. Howe used to say that in his opinion there should be one project of this magnitude under way at all times. There is none now. The leadership is gone. The vision, the mirage, has vanished.

Mr. Deputy Speaker: May I again invite the hon. member to relate his remarks to the amendment.

Mr. Starr: He has not said anything about it yet.

Mr. Hellyer: Mr. Speaker, this is all directly related because this is the background for some suggestions I am going to make which I feel sure would be some of the conclusions which this advisory board would come to if the government would accept the resolution we have presented to it.

To illustrate the urgency of this matter may I say we are no further ahead now than we were in 1953 in terms of our gross national product. I have here a bulletin from the organization for European economic co-operation which is an index showing the relative growth in gross national product at market prices for each of the countries under study. The base year, equalling 100, is 1953. Whereas by 1956, the last full year under a Liberal administration, the Canadian per capita gross national product had increased to 106, by 1958 it had declined to 99. This means that in the year 1958 our gross national product per capita was less than it had been in the year 1953. Surely this is one of the most disillusioning and disturbing facts which an advisory council would have to consider and upon which they would have to advise this government.

Mr. Pallett: Mr. Speaker, may I ask the hon. member a question. Is he not aware, since he is talking about the output per capita, that the figures for the first quarter of 1960 are the highest in the history of Canada?

Mr. Hellyer: I certainly hope that the figures are better than they have been under this administration in the past.

Mr. Pallett: Apparently the hon. member does not keep his statistics up to date.

Mr. Hellyer: An advisory committee such as is proposed in our amendment would have much scope for its activities. Never has there been a government which was more in need of advice or slower in acting on it.

Many suggestions have been made one of which is technical training. This suggestion which I made in the House of Commons last year was applauded by the Minister of Labour and yet in effect a whole year has gone by and nothing has been done. I was reading an article just yesterday about the magnitude of the present plan under which approximately 2,500 or 3,000 individuals are

receiving technical training. Surely that is not comparable to the magnitude of the problem facing us. The scale is too small. We have to gauge the size of the problem before we act. Certainly what I had in mind was something which might involve an expenditure of $100 million or $200 million a year but which would bring benefits to the economy of hundreds of millions or a billion dollars a year after the plan had been in operation for a short period of time. Big dividends would be available but we have to face the magnitude of the problem existing in this country. It is the failure to do this which is responsible for our condemnation of the government.

Mr. McCleave: Sounds like the south sea bubble.

Mr. Pickersgill: That is a good way to treat vocational training.

Mr. Hellyer: We have not even trained enough people under the existing plan to fill the available job openings. To this witness the fact that advertisements are published abroad asking for immigrants to fill a whole series of jobs for skilled labour. This was further amplified—if any further amplification was necessary—by the Minister of Labour in the House of Commons last week when in reply to questions we were told that recruiting for radio operators had to be carried out in the United Kingdom because there were not a sufficient number available in Canada and because our training program had been inadequate. Or perhaps it is just because the system is so complex and communications between various branches of government so bad that one branch of government did not know what people another branch had available to fill those jobs.

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. Hellyer: Mr. Speaker, before six o'clock I had started to mention a number of suggestions that I thought might be conclusions of a national advisory board if one were established. The second suggestion is portable pensions. It seems to me that this is not only an obvious but also an essential development. I was talking to a man a few days ago who was seeking employment. He had been turned down by one automobile manufacturing firm, by one rubber manufacturing firm, by one agricultural implement organization, by one electrical manufacturer and by one government. He was turned down in every case for the same reason, because he was too old. He was in his mid-forties. What a travesty, Mr. Speaker, what a waste and what a heartbreak. This man is disillusioned, disappointed and has lost his reason for existence.

The next suggestion has to do with fiscal and monetary policies. There have been too many gyrations. The management of our economy has not been smooth enough. Far too much new money was created in 1958 and then none in 1959. Why? Was it because of government pressure? What was the reason for the tight money policy last year? Was there a shortage of goods and services?

Mr. Pallett: Will the hon. member give the amount of new money created each year, if he is going to make that statement?

Mr. Hellyer: The hon. member can look that up for himself. In 1956 there was a shortage of capital goods, capital goods which were being used to increase the industrial capacity of this country and to provide additional jobs for Canadian workers. But this was not so last year. This was not the case. What was the reason then? Was it fear of inflation? Was the government afraid of the so-called wage-cost cycle? If so, it has not said so. We do not know the reasons but we do know the results. The provinces and municipalities had to borrow abroad. Many necessary local projects were postponed or cancelled. Was the danger due to the actions of this government the year before or were there other factors we have not been told about?

Another suggestion is the increasing of our export sales abroad. Some Canadian manufacturers seem to prefer an exclusive jurisdiction within a small limited market rather than seeking a part of a world-wide market. We as Canadians have to become better salesmen. We have to go out and try to sell our products abroad. Our trade commissioners do a very worth-while job and are most competent people but they cannot substitute for hard salesmanship. Recently a Toronto publisher was telling of a trip he had taken abroad. He expressed the opinion that if Canadian manufacturers really applied themselves and sent trained and skilled salesmen around the world looking for orders they could increase Canadian sales of manufactured goods two or three times in a very short period.

Another suggestion, Mr. Speaker, is aid to our tourist industry. There should be loans to establish new tourist facilities. I am sure that many members have had the experience of talking to United States visitors to Canada

who were not impressed with the accommodation and food they had found in certain localities in our country. I was also surprised this afternoon that the hon. member for Parry Sound-Muskoka (Mr. Aiken) did not mention this when he was speaking.

Mr. Aiken: I thought I would be out of order.

Mr. Hellyer: I am sure that any time that suggestion would be put forward it would be favourably received. Furthermore, the government has reversed the trend of increasing our tourist traffic. By further procrastination and postponement of the completion of the trans-Canada highway it is extending even farther ahead the time when more United States and other tourists will use that highway to visit more of the towns, cities and pleasure spots of our great country.

Finally, Mr. Speaker, I suggest that there should be accelerated depreciation for equipment and research designed to facilitate winter employment. May I recapitulate these suggestions? They are: (1) A massive scheme of technical training and retraining; (2) a system of national portable pensions; (3) a sound fiscal and monetary policy; (4) the encouragement of export sales of Canadian manufactured goods; (5) the guaranteeing or otherwise providing of loans to build up a greater tourist industry; (6) the acceleration of the completion of the trans-Canada highway for the same purpose; and (7) the allowing of accelerated depreciation for equipment and research to facilitate winter employment.

These are just samples of the type of suggestions a national advisory board might make. This is a time for action. It is futile for government supporters to attempt to bring into the present situation the alleged opposition of the Right Hon. Mackenzie King to Lord Bennett's proposed unemployment insurance legislation. As a matter of fact, for the benefit of the hon. member for Iles-de-la-Madeleine (Mr. Keays) and the hon. member for Pontiac-Temiscamingue (Mr. Martineau), may I say that as soon as the court decided that Lord Bennett's unemployment insurance legislation was ultra vires Mackenzie King wrote to the provincial premiers on November 5, 1937 asking them to agree to a constitutional amendment. Mr. Duplessis refused. It was not until the Liberals came into office in the province of Quebec in 1939 that consent was obtained and the Unemployment Insurance Act was then promptly established. What a mess we would be in today without it. Even this act, which is now due for an overhaul on the basis of experience, is not sufficient for today's problems.

The situation continues to deteriorate. There is much public concern as evidenced by numerous warnings. I should like to mention two briefly. The first is found in the *Financial Post* of May 14. Under the heading "Jobless Picture Getting Darker" the editorial has this to say in part:

> Current unemployment, even if overstating honest-to-goodness hardship, is a clear warning that national policies in the economic sphere are lagging behind the realities of growth and change here and abroad. The welfare of all Canadians is very much at stake.

The second is taken from the Montreal *Gazette* of May 17. The article is headed "Rate of Job Creation Lags Behind Demand", and it reads in part as follows:

> The pattern of job creation clearly indicates the imbalance between development and production. It just as clearly indicates wherein new jobs must be created as the emphasis shifts from the development of the booming fifties to the production of the competitive sixties.

Surely this is sufficient reason, Mr. Speaker, to justify the setting up of the proposed national advisory board. We have heard some strange statements from ministers during this session but perhaps none stranger than that of the Minister of Labour (Mr. Starr) last night indicating the government's opposition to the appointment of a national advisory committee as recommended in our amendment. "It would be", he said, "an evasion of governmental responsibility", and this from a government which has set up more committees and commissions in order to evade responsibility for action than any other government in our history and has gone so far, in the hope of evading responsibility, as to promise committees which it does not get around to setting up. In this way it uses commissions that have been proposed as a means of escaping decisions and taking action. The best example of this, Mr. Speaker, is the proposed Hoover type commission. This proposed commission, if and when it is set up, is being used in order to remove from the government any responsibility for changes in the civil service which may be considered necessary in the interests of the economy.

However, when we advocate a national advisory board as a permanent agency to give counsel and advice to the government, expert advice and guidance, so that the government might discharge its responsibilities more efficiently, the minister says we cannot do this; it would be an invasion of responsibility. It is impossible to imagine a more flimsy, more ridiculous reason for rejecting a motion of this kind.

Some years ago, Benjamin Franklin is reported to have said this:

> When men are employed, they are best contented; for on the days they worked they were

good-natured and cheerful, and, with the consciousness of having done a good day's work, they spent the evening jollily; but on our idle days they were mutinous and quarrelsome—

The dignity of man is enhanced by honest labour. We have a responsibility to allow each and every Canadian to earn a living and to justify his existence. This is a responsibility which must be faced, and which this government has refused to face from month to month. This evasion of responsibility is not based upon lack of advice.

More than 25 suggestions were enumerated by members of the Liberal party earlier this session, and what results have we seen? Not one of those suggestions has been acted upon. Why do the ministers not rise in their places and say that at least they will try, at least they will implement some of the suggestions in order to determine if something worth while cannot be done? This is not the course the present government follows. It has abdicated its responsibilities to hundreds of thousands of Canadians; it has allowed a situation to continue which has affected the good name of our country abroad. This has resulted in a lessening of the desire of immigrants to come to this country. It has affected our national and international credit; it has affected the regard in which we are held.

We urge, Mr. Speaker, that the government accept our proposal which has been put forward in good faith. The situation cries out for action, action which is the responsibility of this government to the people who elected it just three short years ago.

Mr. Speaker: It being 8.15 p.m., it is my duty, pursuant to section 4 (d) of standing order 56, to interrupt these proceedings and put forthwith the question on any amendments now before the house.

The house divided on the amendment (Mr. Martin, Essex East) which was negatived on the following division:

YEAS

Messrs:

Badanai
Batten
Benidickson
Boivin
Boulanger
Bourget
Brassard (Lapointe)
Cardin
Caron
Carter
Chevrier
Crestohl
Denis
Deschatelets
Eudes
Fisher
Forgie
Granger
Habel
Hellyer
Herridge
Howard
Leduc
Lessard
Loiselle
Macnaughton
McIlraith
McMillan
McWilliam
Martin (Timmins)
Meunier
Nixon
Pearson
Peters
Pickersgill
Ratelle
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Tucker
Winch—43.

NAYS

Messrs:

Aiken
Aitken, Miss
Allard
Allmark
Anderson
Asselin
Baldwin
Barrington
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bissonnette
Bourbonnais
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Chambers
Charlton
Chown
Churchill
Coates
Comtois
Creaghan
Crouse
Danforth
Diefenbaker
Dorion
Doucett
Drouin
Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Forbes
Fortin
Fraser
Frechette
Grafftey
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hanbidge
Harkness
Hees
Henderson
Horner (Acadia)
Horner (Jasper-Edson)
Howe
Jorgenson
Jung
Keays
Kindt
Knowles
Kucherepa
Lafreniere
Lahaye
Lambert
Lennard
Macdonald (Kings)
Macdonnell
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McLennan
McPhillips
McQuillan
Maloney
Martel
Martineau
Martini
Milligan
Monteith (Verdun)
Montgomery
Morissette
Morris
Morton
Murphy
Nesbitt
Noble
O'Hurley
Pallett
Parizeau
Paul
Payne
Pearkes
Pigeon
Pugh
Rapp
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Sevigny
Simpson
Skoreyko
Slogan
Small
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Speakman
Stanton
Starr
Stearns
Stefanson
Stewart
Tassé
Thomas
Thompson
Tremblay
Villeneuve
Vivian
Walker
Webb
Webster
Weichel
Winkler
Wratten—136.

REQUEST FOR VESTING OF PENSION RIGHTS

Mr. W. H. McMillan (Welland): Mr. Speaker, I want to bring up a grievance, and it is that for the most part there are no vesting rights in industrial pension schemes in vogue in our country. When I say this I realize that the employee can recover his contributions if there is termination of service before the pension matures; but for the most part he cannot benefit from the contributions made on his behalf by his employer. He has no right at all to any part of those contributions.

I have had representations many times from workmen in my area, and I know that early in March when I was away from this house representations were made to the government, to all members of the House of Commons and to members of the cabinet in respect to these pensions, and also in respect to a restoration of the pension vesting provisions of the Income Tax Act.

That prompted a question by the hon. member for Kootenay West (Mr. Herridge) to the Prime Minister (Mr. Diefenbaker), and the Prime Minister said, in effect, that consideration was being given to these representations and that when a decision had been made it would be communicated to the house. There were other supplementary questions asked by the hon. member for Kootenay West, by the hon. member for Mackenzie River (Mr. Hardie) and the Leader of the Opposition (Mr. Pearson) concerning the deletion of paragraph 10 (b) from the blue book. This deletion was published in the *Canada Gazette* of July 18, 1959. Whether that deletion was by order in council or by some other order I am not aware, and I do not know whether that order has ever been tabled.

I have brought up this question of the vesting of pension rights before in this house and I will not give all the reasons why I think this is very desirable. Most industrial pensions in our country mature after 20 or 25 years, and I do not think it is right that an employee has to work up to the very last day in order to get any part of his pension. Through misadventure or through sickness he might lose his pension by just a few days or a few months; and I have seen a case where it has been lost because his service fell short of the term by something less than one month.

With earlier pension rights I think it might be easy to work out portable pensions. It would be easier for a skilled man to get employment after he reaches the age of 40. Because of these pension plans, at the present time it is very hard for him to get employment in any trade. When he goes to apply he is generally turned down because he would become a liability owing to the pension plan and therefore the employer will not hire him. I know that in the province of Ontario the suggestion has been made that there could be portable pensions, but I think that here we should have uniformity in relation to these pensions across the country.

I think the federal government might constitutionally, through the provisions of the Income Tax Act, provide for earlier vesting. I know the Minister of Finance (Mr. Fleming) said this matter came under the jurisdiction of the provinces, but the Income Tax Act comes under the jurisdiction of the federal government, and I believe the federal government could provide that there should be earlier vesting. If earlier vesting was not allowed by the employer the right of the employer to deduct contributions from his income tax could be disallowed in whole or in part.

Mr. H. W. Herridge (Kootenay West): I am sure all members of this house regardless of party are pleased to see the hon. member for Welland (Mr. McMillan) back in good health to carry on his old fight on pension vesting. I know the hon. member has taken a long time interest in this problem. I think his first efforts in this direction were made in 1955, if I remember correctly, and although he was unfortunately absent through illness this session he continued to take an interest in this question as one could see by the resolution appearing on the order paper in his name this session.

I also represent a constituency which includes many workers who have been very interested in this question for a number of years. In 1950 the government distributed a blue book which established principles for pension vesting as related to the Income Tax Act, and according to those principles it was stated in the book:

> The rights provided by employer contributions must vest in the employee within a determinable period, and particularly on the attainment by the employee of an age which would prejudice him in the event of severance from employment. Therefore, vesting should be absolute upon attainment of age 50, subject to a minimum period, not exceeding 20 years of service or participation.

That is a very important clause of the pension vesting principles established in the blue book in 1950.

It was in 1955 that the international union of mine, mill and smelter workers was the first union in Canada to recognize the fact that the government was not applying the principles as established in the blue book. As a consequence the union made representations at that time to the former minister of finance and to the former minister of national revenue as well as to other members of the cabinet, and the matter was then taken into consideration. It was under consideration for a good

length of time without any decision being announced. Then the present government came into office, and further representations were made. The government representatives agreed with the union that the matter should receive further consideration. Members of the union and some employers' organizations waited almost with bated breath the decision of the government on this question. However, they were disappointed when on July 18 of last year they read in the *Canada Gazette* new regulations with respect to the principles of pension vesting which in effect cancelled the former requirements.

I think I should explain that in brief all that pension vesting means is that if an employer is to get certain concessions with respect to his income tax in return for establishing a pension fund he must provide his employees with certain vested rights and interest in their pensions. Following the news published in the *Gazette* of July 18, 1959, further representations were made by local 598 of the international union of mine, mill and smelter workers. Members of this local, together with some of the national officers, met some members of the cabinet and, I think, the president of local 598 met the Prime Minister personally and had a discussion with him on this matter of such importance to the union. In addition, the Canadian congress of labour made representations supporting the principles of pension vesting and urged the government to establish those principles in the income tax regulations.

Then the International Nickel Company made representations to the government in which it opposed the principles of pension vesting and the proposal that they should be included in the income tax regulations with respect to pension plans. In fact, the company was of the opinion that such rights should be established as a result of the processes of collective bargaining. Once again the members of the government told representatives from the international union of mine, mill and smelter workers that further consideration should be given to this question of vesting rights with respect to pension plans established by corporations and companies. The union has waited a long time for a decision. As the hon. member for Welland has mentioned, I asked the Prime Minister some time ago when a decision might be expected on this important issue, and the right hon. gentleman replied to the effect that when a decision was made it would be announced. Since then we have continued to wait for this announcement.

Then during the discussion of some of the income tax resolutions I raised the matter again briefly. I think at the time I did something very unusual for me Mr. Speaker—I was slightly out of order. Anyway, the Minister of Finance (Mr. Fleming) replied to my inquiry and indicated that this was a provincial responsibility, because civil and property rights come within the jurisdiction of the provinces. We know that civil and property rights come within provincial jurisdiction but we claim, as did the representatives of the union, that when this government gives certain exemptions from income tax to corporations who set up certain funds for pensions purposes, it has the right to specify that the exemptions shall be related to certain responsibilities and obligations toward the employees; in this particular case, the vesting of pensions. That is definitely within the jurisdiction of the federal government and it was recognized as being so by the previous government and also by the present government in listening to representations on this question by unions and employers.

I wish to bring to the attention of this house that there seems to have been a great departure in government policy compared with that which was indicated by the Minister of Labour (Mr. Starr) on November 7, 1957. I want to read a letter which the Minister of Labour wrote at that time to Mr. LeRoy L. Brown, 1110 W. 8th Avenue, Vancouver, 9, B.C. This is what the Minister of Labour had to say:

> I am sorry it was not possible to reply to your letter of October 20, on the question of vested rights in pension plans, in time for the meeting of the B.C. labour federation on October 24.
>
> Vested rights in pension plans, either contributory or non-contributory, is a subject that has, as you know, received considerable attention not only in the House of Commons but in trade union and employer circles as well. Many factors enter into the problem, which tend to make it rather complex, and while I propose bringing your representations to the attention of the Minister of Finance, I do not know of any proposed legislation concerning vested rights in pension plans.
>
> The present guide or "blue book" used by the Department of National Revenue in registering pension plans for tax purposes stipulates that a plan will not be given favourable consideration unless employer contributions are vested by the time an employee attains age 50, subject to the completion of a stated period of service with the employer or of participation in the plan not exceeding 20 years.
>
> Under the Government Annuities Act, administered by the Department of Labour, employers of labour may contract with the government for the purchase of annuities arising out of the operation of a pension plan which must be approved by the Minister of Labour for purposes of the act. The department's policy in approving a pension plan is more restrictive than that of the Department of National Revenue. A plan is not approved unless there is complete vesting of at least the completed 20 years of employment. This period of employment includes service before as well as after the plan is installed. Vesting of future service

benefits based on years of participation in the plan is not acceptable; neither is a period of service combined with a minimum age.

I wish to bring this sentence to the particular attention of the house:

It is a matter of government policy to encourage early vesting of employer contributions in pension plans.

Thank you for your good wishes.

Yours sincerely,

Michael Starr.

On November 7, 1957, shortly after the government came into power, the Minister of Labour indicated by his letter that it was government policy to encourage vested rights in pension plans. However, that enthusiasm was not indicated in the new regulations of July 8, 1959 published in the *Gazette* which wiped out the former blue book under which this encouragement was given and it was possible for corporations to receive exemptions without granting vesting rights.

We still await an announcement of the government's decision which the Prime Minister promised to give in reply to my question a few weeks ago. I cannot believe that the government will sidestep this question by suggesting that because property and civil rights are involved it comes within the purview of the provinces and not within the jurisdiction of this government.

The actions of the former and present government, the correspondence and the letter of the Minister of Labour clearly indicate that both the former and present administrations clearly recognized this as a responsibility of the federal government as far as exemption for income tax purposes are concerned.

I urge the members of the government responsible for this aspect of the legislation and pension plan regulations to give serious consideration to the representations that have been made on this subject by a number of groups including the international mine, mill and smelter workers, local 598 of that union and the Canadian labour congress.

As the hon. member for Welland pointed out, this right is sought by employees to give them a sense of security should illness or other hazards strike and terminate employment. As the hon. gentleman indicated, this is a step in the direction of a national transferable industrial pension scheme which would provide employees with mobility. They would no longer be chained to a job for 10 or 15 years despite ill health in order to qualify for a pension to which they are entitled because of having only worked in one industry for 10 years or more. The provision of transferable pensions will provide a mobility of employment and residence to which every man is entitled in an economy such as ours.

I urge the government to give this immediate consideration and we still await with some hope the announcement promised by the Prime Minister.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I rise not to make any statement of decision on this matter for, as the Prime Minister (Mr. Diefenbaker) indicated on a previous occasion, it is a matter under study. I shall confine my remarks tonight simply to certain factual statements by way of setting forth the problem for a better understanding of it, if I may do so.

The fact is that parliament has no jurisdiction to provide for vesting of pension rights. This is obviously a matter falling within the sphere of property and civil rights and is a matter strictly under provincial jurisdiction. Some of the provincial governments have already been examining the question. It may be recalled by hon. members that at the recent session of the legislature of Ontario there was discussion of this matter and the legislature on motion of the government there established a committee to study this question. That study, according to my information, is proceeding. Evidence is being taken on it and the counsel of experts has already been sought on the subject. With respect to jurisdiction it is a matter beyond question that this is something lying outside the jurisdiction of parliament. The only way in which it has at any time become a matter of federal consideration has been in relation to the provisions of the Income Tax Act.

As all hon. members are aware, the act makes provision for deduction from income in the case of both employers and employees of certain payments made to pension funds. The hon. member for Kootenay West (Mr. Herridge) has referred to the situation that followed 1950. At that time regulations were issued, of which the hon. gentleman made mention, on the assumption that it was within the power of the government under the provisions of the Income Tax Act to say that the right to deduct these pension payments should be limited to cases where certain rights, in the clause that he mentioned, were preserved.

I must point out in the first place that that was interpreted in the government departments concerned as applicable only to pensions of a contributory nature. In other words, it was deemed applicable to those to which both the employer and employee contributed. It was interpreted as not having

any application at all to pension funds established only at the instance of the employer to which the employee made no contribution.

Another development occurred not long after. Because of the multiplicity of these pension funds and the very great variety of them it was found to be quite impossible to undertake a review of all the pensions plans and to determine whether in every case under the terms of the trust created there was a vesting or a compliance with the provisions of the regulation. It became a physical impossibility. Some few years ago any attempt at a detailed review of these trust documents was given up. That was before we came into office. There are literally thousands of these plans.

The hon. member for Kootenay West spoke of the issuance of the new blue book as though that made some change in the situation. It really did not. It did not make any change in the situation at all. It was recognized that this was something under the then existing circumstances that was quite incapable of enforcement and, indeed, it was concluded that it was beyond the powers conferred by the act to attempt to impose or enforce such a condition. It is quite clear, therefore, that the regulations which appeared in the *Canada Gazette* last July made no change in the situation. They simply took account of an existing fact, a fact which had already been in existence for several years in the practice that had been followed. Therefore I wish to make it quite clear that no change in this respect has in fact occurred since the present government came into office.

The hon. member for Kootenay West spoke of the desirability of providing for transferability of pension contributions. I wonder whether he has overlooked the amendment introduced into the Income Tax Act at the 1959 session on a government resolution that made just that kind of provision. You will find that in section 11, subsection 1, paragraph (u) of the Income Tax Act. It makes clear provision for the transferability of these pension contributions so far as parliament can so provide in enacting taxing legislation within the ambit of the federal powers.

Again, Mr. Speaker, I emphasize that I have not risen to announce any policy in this respect. I have risen simply to indicate certain facts to the house in the hope that they may contribute to a clearer understanding of the situation, of the limitations that affect the federal authority in this respect, and of the fact there is an indication that the provincial legislatures and governments are carefully examining this question since it is only in that quarter that provision can be made that will effect the right of vesting in such funds as between employers, employees and trustees of such funds.

As the Prime Minister indicated on an earlier occasion, this subject is complex. It has received and is receiving very careful study. Some hon. members may regret that it is as complex or that the federal powers are as limited as they are in this respect, but they are the facts and whatever consideration can be given to this question must be given within the kind of limits I have indicated.

Mr. Badanai: Mr. Speaker—

Mr. Speaker: Is the hon. member going to speak on the same subject?

Mr. Badanai: Yes.

Mr. Speaker: Perhaps I should say that I have to confess that when the minister who moved the motion now before the house rose to speak I did not caution the house and I hope that by unanimous consent the house will agree that the debate has not been closed.

Mr. Pickersgill: I trust, sir, that the minister will not be allowed to speak a third time.

Mr. Fleming (Eglinton): Mr. Speaker, I would urge that unanimous consent be given. I had no desire to curtail the debate. I hope the debate will continue until ten o'clock.

Mr. Hubert Badanai (Fort William): Mr. Speaker, I rise to participate in the discussion of this very important subject. I was interested in hearing the Minister of Finance (Mr. Fleming) state that portable pensions are not a matter of federal jurisdiction. I maintain, however, that the federal government has some responsibility in the matter of pensions and the provision of a general pension plan acceptable in every part of Canada. If that is the case, then it has got to be a federal proposition and not merely a matter of provincial jurisdiction.

One of the major problems facing workers in industry today is the difficulty of men over 40 getting another job if for some reason their previous job comes to an end. As everyone knows, the acceleration of technological change has hit the hardest at older workers who have been displaced by machines. Many of these displaced workers were participants in pension schemes of all kinds, as intimated by the Minister of Finance, but their prospects for security are threatened through loss of employment. As a result, people 45 years of age and over find it extremely difficult to get a job in industries that have their own pension plans which in many instances preclude the hiring of men

and women over 40. The only fair solution to this problem, and it is a serious problem, is a measure or method, call it what you will, which would permit an employee to change his job without affecting his pension plan. I have an article here written by Mr. Cecil G. White, a fellow of the society of actuaries and an employee in the department of insurance. I think it is a very important article and I wish to read from it. It has this to say in part:

Why is it so important for the employee who changes jobs to preserve the pensions he earns with a succession of employers? There are several reasons, but the one that concerns us today is the effect this will have on his chances of employment in the future.

Many employers may be unwilling to hire an older worker who has no pension credits from previous employments. Quite naturally, these employers wish to avoid the embarrassment and bad public relations that may arise if they should be obliged to retire such an employee before he has had time to earn an adequate pension.

The two alternative possibilities are to keep the employee in service beyond the time when he is really effective or to bear the cost of supplementing his pension, but both of these involve added expense for the employers and are therefore unattractive. These considerations appear to be among the most important obstacles associated in the minds of employers with the hiring of otherwise qualified older workers.

This may or may not be an ideal solution but it is an attempt to alleviate discrimination against older workers. I am sure that the proposal advanced in the article will be of interest to every member of the house. I continue:

Well, now, here we have a serious problem. A pension plan with all its advantages for a firm's employees seems to have the disadvantage of raising a barrier against the hiring of some older people. Is this really the situation? In a sense it is, but perhaps it would be more correct to say that each of them has built up his own barrier during his years of previous employment by his failure to preserve his pension credits.

One remedy for this lies in making it possible for those employees who leave an employer after a reasonable period of service to keep the pension credits that they have earned. How can this be done? One method that seems obvious, but like many obvious methods involves some technical difficulties, is to transfer the employee's rights under one plan into the plan of his next employer.

Now, the income tax amendment mentioned by the Minister of Finance a moment ago was designed to facilitate some transfers.

To date, however, such "portable pension credits", as some people call them, are used only sparingly in Canada, being found most commonly in plans for government employees.

Other attempts to preserve the pension credits of employees who change jobs have been made through the mechanism of industry-wide pension plans. Under such a plan, an employee may move from one employer to another within the industry and always retain his earned pension. However, this arrangement can benefit an employee only as long as he stays within the industry, so that even an industry-wide plan is limited in its application.

Request for Vesting of Penson Rights

Most employees who change jobs in Canada do so without the benefit of either a system of "portable pension credits" or an industry-wide plan. How do they make out in their efforts to preserve the pensions they have earned with a succession of employers? Any attempt to answer this question must take account of two main factors in Canadian pension plans—the vesting formulas and the optional forms of benefit available on voluntary termination of service.

The vesting formula determines the conditions under which the employee acquires a right to part or all of the contributions made by the employer on his behalf. The employee always retains a fully vested right to his own contributions, but his entitlement to the benefit arising from the employer's contributions depends on his length of service or sometimes on the number of years he has participated in the plan.

There is great variety in the vesting provisions of Canadian pension plans. Plans paid for entirely by the employer frequently have no provision for vesting any rights in a separating employee, except at retirement age.

I must point out, Mr. Speaker, that very many of these plans are such now that they are paid by the employer. However, the employee always retains a full and vested right to his own contribution.

Of the pension plans to which the employees contribute, comparatively few give full vesting before the completion of 15 years of service. Some plans have a formula that provides gradual vesting. Under these, the proportion of the employer's contributions that vests in the employee, increases year by year until the full amount is vested.

A typical formula gives the employee a vested right to 10 per cent of the employer's contributions after 10 years of service, with an additional 10 per cent being granted each year thereafter, so that full vesting is achieved on completion of 19 years of service.

A very few plans in Canada provide that the employer's contributions vest in the employee as soon as they are paid, regardless of the employee's age, service or participation in the plan. Such plans offer no restriction on the mobility of the employee. If the occasion arises for him to seek other employment, he is always in the favourable position of having pension credits.

From this brief description of the vesting provisions in Canadian pension plans, you can see that it is seldom possible for an employee who changes jobs to build up pension credits for his service with each employer. From this point of view, the present situation with respect to vesting in pension plans is less than satisfactory.

Mr. Speaker: I do not want to interrupt the hon. member, but I draw to his attention the fact that this is a period for the expression of grievances. Normally there are a number of contributions made and many members are given the opportunity of participating. I think the hon. member has trespassed on the tolerance of the house by the reading of such long extracts. I suggest that he content himself with what he has read and proceed with his own comments.

Mr. Badanai: Thank you, Mr. Speaker; I shall abide by your decision, sir, and I will not continue to read from this very interesting formula which I believe should be of

interest to every member in the house. In any event, the question before us is whether or not employers in industry, civic departments such as boards of works, hydro, utilities and so on, with which I am very familiar, are reluctant to hire persons who are over the age of 40 because of the danger of upsetting their own pension plans. Consequently, they have set an arbitrary retirement age of 65, notwithstanding the fact that many men of 65 are in their best productive years.

In order to make a portable pension plan work it would have to be a federal-provincial plan under a federal-provincial act. The Minister of Labour (Mr. Starr), who has been under fire during the last two days, should be commended for his efforts to encourage employers to give the older worker a chance at employment. In a booklet published by the Department of Labour he gave a summary of the capabilities of the older worker. I commend this booklet to every employer in the country, including the departments of the federal government as well as civic departments, because I have reason to believe that some discrimination against older workers exists even in the departments of the federal government.

I cannot think of anything more appropriate with which to conclude my brief remarks on this subject than to quote a few paragraphs—I promise it will be only a few paragraphs—from an article which I found in my scrapbook.

Consider what men have done in the field of leadership after sixty. Take Clemenceau, Adenauer and Voltaire—

Mr. Speaker: Order; the hon. member is departing from the grievance upon which he embarked, namely I suppose it might be described as the portability of pensions. He is now on the subject of the employment of older workers which seems to me to be in a different field. I would suggest that he conclude his remarks on the subject that he introduced.

Mr. Badanai: May I be allowed, Mr. Speaker, just to quote two more paragraphs from this short article?

Mr. Speaker: Not if they are in the same vein in which they started. They do not seem to have any relationship to the subject which the hon. member is supposed to be discussing.

Mr. Badanai: Look at Winston Churchill; when he had reached the age of 79—

Mr. Speaker: I am sorry, but I think the hon. member should abide by the ruling. Unless the quotation which he wishes to read covers the subject of the transfer of pensions, I suggest he conclude his remarks.

[Mr. Badanai.]

Mr. Badanai: I shall not read any further, Mr. Speaker. While I do not think that the reading of this particular article has no bearing on the subject under discussion, I am merely pointing out that men of 60 years of age, men who are pensioned off early in life, are still in a condition to be very productive in every field of endeavour including the arts and labour. Right in the House of Commons here we have men who are over 65 years of age and who are keen and alert. Indeed, they are even more effective than are many of the younger men. That fact should, of course, give encouragement to the younger men to gain the wisdom of those who have reached the respectable age of 65 years and over. I feel rather strongly on this age question.

Mr. Speaker: The hon. member will have to resume his seat. I am sorry, but I cannot allow him to continue.

Mr. Pickersgill: On the point of order that has been raised, I wonder whether Your Honour would hear an argument that has occurred to me as I have been listening to the hon. member for Fort William. It seems to me that the portability of pensions would make it much easier for employers to employ older workers and that there is therefore between the two subjects a real connection which my friend the hon. member for Fort William is seeking to show.

Mr. Speaker: I appreciate the viewpoint, and the hon. member who has the floor made that point earlier in his contribution. However, it seems to me that he has got off entirely into the question of the employment of older workers.

Is the house ready for the question?

Some hon. Members: Question.

Mr. Speaker: I recognize the hon. member for Burin-Burgeo. Is the hon. member proposing to speak on the same subject?

Mr. Carter: Yes.

Mr. Speaker: If the hon. member for Burin-Burgeo will permit me to do so, I will recognize the hon. member for Macleod first.

Mr. Lawrence E. Kindt (Macleod): I rise to speak on this subject of portable pensions, Mr. Speaker, because I have a great deal of sympathy for the sentiments expressed by those who have spoken already on this subject. In my area of southwestern Alberta we have a large number of new industries, a growing industrial development and the problem of the mobility of labour. In other words, looking ahead we must have a system whereby the worker can transport his credits, his vested interest in a pension, from one job to another

in order to give him mobility. It is in the best interests of the industrialists, the nation and the worker that such a system in some way be granted to the worker. In other words, in order to use the skills we have in industry to the best advantage, to allow the individual to migrate to whatever position is open for him and to take with him his credits and built-up annuity to the new position, is extremely important. To deny the worker that privilege—this is what is being done in effect under the present system—is to freeze the individual in his job.

After he passes a certain age and after he has a certain number of credits built up over the years whether it be in industry or in the civil service or elsewhere, that individual is extremely reluctant to move to a new position because of his pension and because he has family ties and other things for which he has been building up that pension and he is looking to it to take care of himself and his dependents.

I do not wish to prolong the discussion, Mr. Speaker. I wish to give everyone an opportunity to speak on this important subject. Everyone knows that to evolve such a plan that would give to the labourer that mobility of movement which he needs to transfer from one job to another is not a simple task. It involves a complicated system and must be figured out in such a way that the objective of mobility of the laborer is accomplished. Of course it is beyond the scope of my remarks, in the few minutes that I have at my disposal to go into some of the plans I have thought of at one time or another. Suffice it to say that whatever plan is developed, the objective behind it should be to give mobility to the worker and to safeguard his pension rights.

Mr. C. W. Carter (Burin-Burgeo): I rise, Mr. Speaker, to support my colleague the hon. member for Welland (Mr. McMillan) with respect to the grievance he raised. The purpose of any pension is to provide security. In the case of pension plans in industry, the federal government contributes to that security by a tax exemption. That contribution is considerable. In fact, we have a 50 per cent stake in those pension plans and that amounts to many millions of dollars. Since we contribute to those plans we have a responsibility to see that the maximum security is achieved. There are many cases in which the employee is deprived of this security through no fault of his own. Now that we are living in a period of rapid technological change, jobs disappear almost overnight. The employment may be terminated after many years of loyal service and at a date when it is impossible for the employee to build up any further security.

The minister has enumerated the difficulties which lie in the way of dealing with the problem and I would not for one moment wish to minimize them. As he pointed out, there is a wide variety of plans and there is a particular problem with respect to those plans which are non-contributory. The minister also told us that this responsibility is shared by the provinces; that the matter of property and civil rights is really a provincial matter; and that in fact the federal government has no jurisdiction whatsoever over vested pension rights. But, Mr. Speaker, the fact that the responsibility is shared does not relieve us of our duty and our responsibility in this matter. While the federal powers may be limited our duties are not limited and our responsibility is not limited.

The basis of tax exemption is security for the employee, and as I have pointed out we share in that to the extent of a 50 per cent reduction. Because we share in that we have a duty to see that the purpose of this exemption is achieved. I think we have a duty and a responsibility to attach conditions to that exemption which will ensure maximum security to the employee.

As a matter of fact the federal powers may not be as limited as might at first sight be supposed. An amendment to the British North America Act, reads as follows:

> The British North America Act, 1867, is amended by adding thereto immediately after section 94 thereof the following heading and section:

The heading is entitled "Old age pensions", and then follows section 94 (a):

> It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law, present or future, of a provincial legislature in relation to old age pensions.

Since all pensions are based on age and there is an age qualification and people get pensions mainly on account of old age, it would seem that the federal government might have jurisdiction in this matter after all. It is shocking to think in this day and age that there are pension plans where an employee after many years of loyal service can lose his pension with only a few days, a few weeks or months to serve. That is not a credit to our free enterprise system.

I have had brought to my notice cases where these pension plans, these industrial pensions, have been reduced and in some cases eliminated altogether when the pensioner has become eligible for the old age pension. In other words, if the industrial pension was less than $55 a month when the pensioner

became 70 years of age he lost his industrial pension and was taken over by the government of Canada. In cases where the industrial pension was over $55 a month, it was reduced by that amount. That is certainly a contravention of the purpose of the tax exemption and of the spirit of the Old Age Pensions Act. It should concern this parliament that such things happen and we should be prepared to do what we can about it. We can do something and, as other hon. members have already pointed out, we can bring some pressure to bear on this question. We can give some encouragement to partial pensions through the provisions of the Income Tax Act.

I should like to support the suggestions put forward by my colleagues and by other hon. members here this evening that no exemption should be granted in cases of pensions where the conditions do not permit of at least a partial pension after a reasonable period of service.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to congratulate the hon. member for Welland (Mr. McMillan) and the hon. member for Kootenay West (Mr. Herridge) who have been raising this problem for some time now. It is a problem which is of great concern to the workers and all those who are now finding it more and more difficult to negotiate and obtain from their employers increases in pay and are being asked to take other benefits to compensate for that.

In relationship to pension plans workers in many industries have found it not advantageous for them to engage in a pension plan for the very simple reason that it ties them to the one job. It means that as they grow older the company has more control over them and their opportunities in that field become less and less as their age increases. I agree with the hon. member for Fort William (Mr. Badanai) and the point I believe he was trying to make, that we should allow workers to travel from job to job so that it would not be necessary to employ only young men to give them a lifetime in the industry which would enable them at least to establish a full pension. I think if we combine the two ideas the hon. member for Welland mentioned, namely the portable plan and the vesting rights in the plan, we might make pension plans advantageous for all the Canadian people.

Mr. Speaker, you will remember when Professor Clark went to the United States and examined their program; he compared the social security program in the United States to the Canadian old age pension plan. I believe he had in mind the versatility of the plan, the mobility of their social security scheme and the fact that it did allow a worker to transfer from one job to another, the vesting rights not being held by the employer but by the partial pension agency, which would keep control of the pension.

I think tonight that Barbara Ann Scott in the best days of her skating experience and when she was world champion could not have competed with the Minister of Finance (Mr. Fleming) when he skated over this ticklish problem of who has the jurisdiction over pensions, the federal government or the provinces. While we have some say in this matter through income tax exemptions I believe there is not a great deal of difference between what we are suggesting would be advantageous for the workers in this matter of pensions and the national old age pension plan which we now have under the federal government. I believe it is very important that these vesting rights in the pension plan be immediate and that a worker working in an industry for any length of time should have an initial period through which he would have to work before he became a full time employee. While he is still a temporary employee I would suggest that probably he should not enjoy vesting rights; but as soon as he becomes a full-fledged employee in a company he should have those vesting rights.

In my part of the country, northern Ontario, where we have been dependent on national resources such as the mining and lumbering industries, these industries in particular indicate the need and show that what we have done in the past with regard to pensions and allowing employers to maintain control of and sole right in the pension has been detrimental. We have been concerned in the last few months with the problem of people being laid off and having to change to new jobs in the town of Elliot Lake. In this particular area if the miners had had vesting rights, as was suggested, if they had worked in the mining industry in Elliot Lake for five years they would be leaving there with a contribution in their pockets or in some national agency which would be regarded as an annuity to which their employers had helped to contribute. It would enable them after 20 or 25 years, whatever period they saw fit, to retire knowing they would have a pension capable of supporting them.

I, like other hon. members, have seen industries which did not exist for the full length of time which would have enabled these pensions to mature. We have all seen other abuses in cases where the pension plans have been of considerable size. I am thinking in particular of the Big Dome mine

which was reported to have close to $750,000 in its pension plan for approximately 500 employees. In this particular company, after you had worked a year or two, for no particular reason the boss would say on a Saturday: don't come back on Monday, you are fired. On Wednesday, you asked the boss if you could have a job and he would say: Sure, come on back, you are a good worker. This was repeated time after time. By this means the pension fund would last forever, because to my knowledge very few workers have ever been able to take advantage of it.

The people of Canada are concerned about this question. The provinces have given consideration to it. A government in Ontario which is favourable to the federal government has seen fit to say that some time in the future it will agree to this kind of plan.

Mr. McDonald (Hamilton South): What company was the hon. member referring to when he made the accusation a little while ago?

Mr. Peters: The Big Dome mine.

If all hon. members are agreed, as I am sure they are, it follows that in the near future the government will bring in a bill which would allow for vested rights of pensions and also take care of the other problem, namely transferability.

Finally—and this affects members of parliament and others interested in pension plans—if and when we obtain vesting rights and transferability we should also have a clause written into the bill which would allow death benefits to be paid, or the amount that the pension represents to be transferable to the spouse or to the children who are left under the age of 21.

SUGGESTED REVISION IN OPERATION OF NATIONAL EMPLOYMENT OFFICES

Hon. J. W. Pickersgill (Bonavista-Twillingate): If no hon. member wishes to say anything further on the subject of the vesting of pension rights I have a grievance which is of interest to my constituents and about which I should like to say a few words. It has to do with the operation of the national employment service as it affects constituencies where the commission has no offices and where there is a rather high degree of seasonal unemployment, as unhappily, there is in my constituency.

I do not want anything I say to be misinterpreted as the slightest criticism of the personnel of the unemployment insurance commission who, I think, are conscientiously doing a very good job under great difficulties in every part of Canada with which I have anything to do. What I am talking about is the system itself, and I am not saying, either, that it is the fault of Her Majesty's present advisers, though this is a grievance against the government because it is something which I feel ought to be changed in the circumstances.

So that I can save the hon. member for Saint John-Albert (Mr. Bell) the pain of asking me why we did not change it, let me say that whether we should have changed it or not, we did not change it. We are now in 1960 and the power to change this is vested for the time being—and not for very long—in someone else. Those people will be judged not by what we did before 1957 or by what we left undone before 1957 but what they have done, or left undone since 1957. Because I do not want to make this controversial, I intend to appeal to the Minister of Labour (Mr. Starr)—and I trust someone will carry my appeal to him—to get the commission to do something about this question.

The problem is this: once a person has exhausted his unemployment insurance benefits there is at the present time little or no real incentive for him, particularly in the winter months when there is practically no employment available in many parts of the country, to keep his name on the registers of the employment service. Means are provided for his doing so if he wishes, and the commission always shows the greatest possible courtesy if he does so, but there is a tendency for those who are unemployed to let their names drop off these registers. I can understand, also, that the staff do not want to keep a lot of deadwood on the list, and they should not. I make no criticism of that.

This does mean, however, that a great many people who are unemployed, and who in many cases, have been longer employed than a great many others who are getting insurance benefits, are denied the opportunity of hearing about such jobs as may be available simply because they do live in outlying places and are not readily accessible to the offices. This is a difficult problem. I do not think there is an easy solution to it; if there were it would no doubt have been solved long ago. But it is a problem. The national employment offices exist to serve all Canadians and not just those who happen for the time being to be drawing benefits.

I do not think the commission or its employees consciously tend to bring job opportunities to the attention primarily of those who are drawing benefit rather than to others, but I suggest that unconsciously it does happen that way, because those persons who are

on the list are more readily available and because it is easier to bring matters of that kind to their notice.

I feel that some device should be found for maintaining a priority in the offering of these jobs, and that it should be the exact opposite of the usual rules of seniority which one readily understands. But in the case of a national employment service, surely the job should be offered first to those who have been unemployed the longest and not to those who lost their jobs the most recently.

In urban communities this may not be a very great problem. In urban communities where there is an employment office in the community where an unemployed person even if he no longer has benefits can without very much effort on his part see that his name is kept on the list, a man can be informed of job opportunities without too much trouble. But when you live, as do many of my constituents, 100 or 200 miles from the nearest office, when job opportunities do turn up it is often necessary to make rather complicated inquiries by the postal service which is not as good, I am sorry to say, in many parts of my riding, as it is in metropolitan Montreal.

Again I am making no criticism on that account, but it is one of those facts. I do think more attention should be given to establishing some practical and workable means to ensure that those unemployed persons who are driven on to relief because their benefits have expired are given an opportunity—indeed, I would say, a priority—with regard to learning about opportunities for employment.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, I should like to support the remarks made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) and express my appreciation for his bringing up the subject. In the matter of obtaining employment my constituents are handicapped to an even greater extent than his are.

I should like to make it very clear at the beginning that I have no criticism whatever to make of the officials of the unemployment insurance commission. I have nothing but good to say about them. They are doing a difficult job well. My criticism is, if anything, against geography. I know that this government despite its power cannot alter the shape of the physical properties of Canada but I do think it should take these physical characteristics into consideration in making decisions as to who should have jobs and when.

As hon. members know, although my constituency takes in central Newfoundland it extends all down the east side of the great northern peninsula and includes all of Labrador. Many of my constituents live a long way from the unemployment offices at St. John's, Grand Falls and Corner Brook. Communications are slow and unless there is some policy adopted whereby available jobs are divided up regionally I cannot see how the men in remote areas will have a fair chance of obtaining employment in competition with those who live in the vicinity of the employment offices.

I am not sure that the establishment of more employment offices would be a satisfactory answer. I do think there should be more field men provided and the residence of those making application for jobs should be taken into consideration by those who have it in their power to grant employment.

In my own district there is seasonal unemployment. At this time of year when work grows more plentiful and there are a number of jobs offered the people living, for instance, in north White Bay are definitely handicapped compared to those living in more populous areas, but those who live in remote districts should have an equal opportunity of earning much-needed income during the period of employment.

I would hope a policy would be adopted whereby those who live in remote areas would be given opportunities of employment equal with those living near the employment offices at St. John's, Grand Falls and Corner Brook. If such a policy were instituted it would mean that many men would have employment this summer and would be able to support their families. On the whole I believe it would create a better feeling of satisfaction among the people in many parts of my riding and indeed in all the remote areas of Newfoundland and Labrador. There does appear to be a reasonable opportunity in Newfoundland this year for a number of people to be placed in employment. I think it would be nothing short of tragic if the greater number of these jobs were filled from one or two areas instead of being spread all over the island and Labrador where some of this employment will take place.

From recent letters and telegrams I have received I know that the people in northern Newfoundland feel they are not receiving a fair chance to obtain work when it is offered. I urge the government to give this matter careful and sympathetic consideration now because with the season advancing there is a considerable amount of urgency. Unless a decision is made now and such a policy put into effect immediately it will be too late to bring about a fair distribution of employment in Newfoundland and Labrador this year.

Mr. W. L. M. Creaghan (Westmorland): Mr. Speaker, I have listened with some interest to the remarks of the last two speakers.

However, there is not much time in which to discuss this important subject. For the purposes of the record I should like to point out that there are two policies in existence which would be contrary to the proposal advanced.

In the first place Canadian National Railways in the maritimes has a policy under which preference must be given to laid-off former C.N.R. employees. There are also many municipalities that give preference to local residents especially in the winter works programs. The policy suggested would encourage people to remain on benefits even though there might be an opportunity of work because it was proposed by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) that preference should be given by the national employment service to people who had been on benefits for the longest period of time.

Mr. Pickersgill: Unemployed for the longest period.

Mr. Creaghan: Unemployed or on benefits. Nothing could do more to discourage initiative in the minds of the public of this country. I believe it would be impossible to give any serious consideration to such a proposal. Consequently I feel it would be unwise at this time for the government to give any consideration to the implementation of such a suggestion.

Motion agreed to and the house went into committee, Mr. Flynn in the chair.

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF EXTERNAL AFFAIRS

A—Department—

75. Departmental administration, $6,370,736.

DEPARTMENT OF FINANCE

General administration—

107. Departmental administration, $2,454,511.

DEPARTMENT OF TRADE AND COMMERCE

General administration—

390. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $2,630,716.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I wonder whether the house leader would recapitulate the business for tomorrow and the rest of the week so that it will be on the record.

Mr. Churchill: I think it is advisable to put it on *Hansard*. Item No. 1 tomorrow will be No. 9 on today's order paper, the resolution concerning the Emergency Gold Mining Assistance Act. Item No. 2 will be No. 4 on today's order paper, Bill No. S-27, respecting the sale of feeds. The third item will be the budget resolutions. If there is any spare time left we will then take up estimates. The estimates for the balance of the week will be those of the Department of Agriculture, where there are only seven items to finish, then post office, mines and technical surveys and transport.

Mr. Pickersgill: Estimates will be taken up in any case on Thursday?

Mr. Churchill: The intention is to carry on with the estimates on Thursday and Friday.

It being four 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:

CHRYSLER PLANTS LAY-OFFS, WINDSOR

Question No. 343—**Mr. Martin (Essex East):**

1. Has the Prime Minister received representations from a group of automobile workers who have just been laid off their jobs in the Chrysler plants in Windsor, Ontario?
2. If so, how many such individual representations were received?
3. What action was the government requested to take?
4. Have similar representations been made to the government by the united automobile workers of America?
5. If so, what specific action did the united automobile workers of America request the government to take?

Answer by: **Right Hon. J. G. Diefenbaker (Prime Minister):**

1. Yes.
2. 191.
3. The government is requested to take what is described as urgent action to protect Canadian citizens from what is described as car imports stealing many Canadian jobs.
4. No similar representations have been made to the Prime Minister by the united automobile workers of America.
5. N.A.

ARMED FORCES—PREFABRICATED HOMES

Question No. 389—**Mr. Badanai:**

Has the government made any decision on the purchase of 1000 prefabricated homes for armed services personnel and their families living on remote stations, where building conditions are difficult and costly?

Answer by: **Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence):**

The department is considering the use of a transportable type of prefabricated house for married personnel at certain remote locations. Plans and specifications for these units have been developed by R.C.A.F. design authorities in consultation with industry.

No decision has been reached at this time as to the number of units to be built.

HOUSE OF COMMONS

Wednesday, May 25, 1960

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

Second report of standing committee on estimates—Mr. Smith (Calgary South).

STANDING ORDERS—CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Mr. Heward Grafftey (for Miss Aitken) presented the fifth report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

ATOMIC ENERGY

PERSONNEL OF SPECIAL COMMITTEE TO CONSIDER POLICY, OPERATIONS AND EXPENDITURES

Mr. Theogene Ricard (St. Hyacinthe-Bagot) moved:

That the special committee on research appointed on May 16, 1960 be composed of Messrs. Aiken, Batten, Best, Bourget, Brunsden, Cadieu, Dumas, Forgie, Fortin, Godin, MacLellan, McIlraith, McQuillan, Morissette, Murphy, Nielsen, Payne, Peters, Smith (Winnipeg North), Stewart.

Motion agreed to.

STARRED QUESTIONS

DUTY FREE SHOPS, BORDER CITIES

Question No. 154—**Mr. Martin (Essex East):**

1. Has the government received representations from any chamber of commerce or businessmen's association objecting to the establishment of duty free shops in border cities?
2. If so, from whom have representations been received?
3. What were the nature of the representations, and what was the nature of any reply?

Hon. Leon Balcer (Acting Secretary of State): Mr. Speaker, the answer to part 1 is yes.

The answer to part 2 is: The Retail Merchants Association of Canada, the Hamilton downtown association, the Canadian retail hardware association, the merchants' association of Niagara Falls, chambers of commerce of Banff, Alberta, Westport, Midland, Gananoque, North Bay, Belleville, St. Catharines, Peterborough and Amherstburg, Ontario.

The answer to part 3 is: these representations expressed objection to the operation of bonded warehouses in conjunction with retail sales outlets and concern about the impact such sales might have on other businesses. Certain of the chambers asked that the Customs Act be amended to forbid in bond sales to tourists. In reply it was pointed out that it would be difficult to amend the present legislation without at the same time handicapping the traditional warehousekeeper, and at this early stage it cannot be determined what effect this merchandising practice will have on established retailers in Canada; but the government is watching its development carefully.

INSURED HOUSING LOANS BY BANKS, MUNICIPALITIES UNDER 10,000

Question No. 159—**Mr. Benidickson:**

1. Since January 1, 1960, how many insured housing loans have been made by banks to dwellers in municipalities with populations under 10,000?
2. What was the comparable figure for period commencing January 1, 1959?

Hon. D. J. Walker (Minister of Public Works): The answer to question 1; for the period January 1, 1960 to April 30, 1960, seven. The answer to question 2; for the same period last year, 1,042.

CLEANING WORK, DAGENAIS RIVER AND COTE BROOK, PALMAROLLE COUNTY, QUE.

Question No. 160—**Mr. Leduc:**

1. Did the Department of Public Works have cleaning work done on the Dagenais river and the Cote brook, in the township of Palmarolle in the county of Abitibi-West, during 1958 and 1959?
2. If so, how much did the said work cost?
3. What was the name of the foreman and how many men were employed on this work?

Hon. D. J. Walker (Minister of Public Works): The answer to question 1 is yes.

The answer to question 2 is $7,794.79.

The answer to question 3 is; foreman, Mr. Emilien Begin of Palmarolle, Quebec, and 33 men were employed on this work.

INSURED HOUSING LOANS BY NON-BANK LENDERS, MUNICIPALITIES UNDER 10,000

Question No. 161—**Mr. Benidickson:**

1. Since January 1, 1960, how many insured housing loans have been made by approved lenders, other than banks, under the National Housing Act to dwellers in municipalities with populations under 10,000?
2. What was the comparable figure for period commencing January 1, 1959?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, this matter is complicated, and I wonder if the hon. member

would let it stand for a week to enable me to get the figures for the number in municipalities under 10,000.

Mr. Benidickson: Stand.

Question stands.

CARILLON POWER DEVELOPMENT

Question No. 164—**Mr. Chevrier:**

1. Have contracts been awarded for the development of power and navigation on the Ottawa river at Carillon?
2. If so, to whom and in what amounts?
3. What plan has been adopted by L'Hydro-Quebec to develop power in this area and what effect will the plan have upon the water levels of the Ottawa river and on the water levels and ice conditions in the port of Montreal?
4. Have tenders been called for the construction of the lock at Carillon?
5. If so, what companies have submitted tenders?
6. What was the amount of each tender?
7. Was the contract awarded to the lowest tenderer?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the answer to question No. 1 is; this is a Quebec hydro project, and as such that agency, which of course is provincial, will award the necessary contracts. No details, therefore, of contracts that may be awarded are available.

The second question is answered by the reply I have just given.

The answer to the third question is that the plan of operation is still under discussion, but in general it can be said that conditions on the river both above and below Carillon, including the port of Montreal, will not be adversely affected by the operation.

Questions 4, 5, 6 and 7 are answered by the reply I have given to the first question.

CHLORATHIOZIDE DRUG PURCHASES

Question No. 165—**Mr. Howard:**

1. Since January 1, 1958, has any medical doctor attached to, or working under the jurisdiction of, any department of government made a special request that the Department of Veterans Affairs purchase a pharmaceutical known as chlorathiozide from Merck Sharpe and Dohme?
2. If so, what is (a) the name of each such doctor; (b) the reasons for each such request; (c) the date upon which each such request was made; (d) the amounts for each such pharmaceutical purchased upon such request?

Hon. A. J. Brooks (Minister of Veterans Affairs): It will take some considerable time to prepare this information, so if the hon. member would allow the question to stand I should be obliged.

Mr. Speaker: Stand.

Question stands.

[Mr. Walker.]

COMBINES INVESTIGATION BRANCH PERSONNEL

Question No. 166—**Mr. Howard:**

What are the names and the professional status and background of each of the deputy directors, combines officers, of investigation and research as well as of the director of investigation and research of the combines investigation branch of the Department of Justice?

Hon. E. D. Fulton (Minister of Justice): May this question stand until next week?

Mr. Speaker: Stand.

Question stands.

QUESTION PASSED AS ORDER FOR RETURN

PORK—PAYMENTS TO PROCESSORS, STORAGE, ETC.

Question No. 351—**Mr. Peters:**

1. (a) What was the purchase price paid to each processor for pork obtained by the federal government, during the past five years? (b) what was the grade of pork and how much was paid for each cut to each processor?
2. How much money was paid by the government for storage, how much to each company and what is the location of each storage plant?
3. Was any of this pork sold back to the processors? If so, at what price for each cut and grade?
4. (a) How much was sold to each packer? (b) how much pork held by the federal government was sold or distributed to other than packers and meat processors in Canada?
5. Was any pork canned during the past five years?
6. If so, (a) how much; (b) was it packed in cans with government labels or with packing company labels; (c) how much in each case; (d) at what price to each packer?

MOTIONS FOR PAPERS

REPORT ON IMPROVEMENTS TO NAVIGATION, PORT AND HARBOUR FACILITIES

Motion No. 113—**Mr. Chevrier:**

For a copy of the reports made by a special team of the Department of Transport and the Department of Public Works, concerning improvements to navigation and port and harbour facilities in the following places from October, 1957 to date: Belleville, Ontario; Brockville, Ontario; Chandler, Quebec; Collingwood, Ontario; Cornwall, Ontario; Dorion, Quebec; Gaspe, Quebec; Goderich, Ontario; Grand Manan, New Brunswick; Hamilton, Ontario; Kingston, Ontario; Fort William and Port Arthur, Ontario; Magdalen islands, Quebec; Matane, Quebec; Midland, Ontario; Minas Basin; Morrisburg, Ontario; Oshawa, Ontario; Prescott, Ontario; Rimouski-Pointe-au-Pere, Quebec; Port Colborne, Ontario; Riviere-du-Loup, Quebec; Sarnia, Ontario; Sault Ste. Marie, Ontario; St. Charles river area; Sydney, Nova Scotia and area; Wallaceburg, Ontario; Whitby, Ontario; Windsor, Ontario.

Hon. Leon Balcer (Acting Secretary of State): I wonder if the hon. member would allow this motion to stand in the absence of the minister.

Mr. Speaker: Is the hon. member content to have this matter stand?

Mr. Chevrier: Yes.

Mr. Speaker: Stand.

Motion stands.

TRADE

PROPOSED ORGANIZATION TO CO-ORDINATE ASSISTANCE—CANADIAN PARTICIPATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister or, if it is more appropriate, the minister most concerned, a question arising out of a report in the press today that representatives of 20 states and the European common market met in Paris to discuss a draft convention for a new economic organization to co-ordinate growth and development assistance.

My question is, is Canada represented at this meeting; if so, by whom, and what are the general instructions to our representatives?

Hon. Gordon Churchill (Minister of Trade and Commerce): The report is correct; the meeting is going on. We are represented by Mr. Ritchie. The delegation is operating under instructions given it before leaving.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR STATEMENT ON GOVERNMENT PROPOSALS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Labour, based on the joint press release issued today on the unemployment situation. In view of the fact that the percentage of persons without jobs and seeking work is approximately the same as it was two years ago, at the height of the recession, will the minister tell the house whether the government proposes to take any steps to deal with this problem?

Hon. Michael Starr (Minister of Labour): I have not yet had an opportunity to analyse the release, which was just handed to me on my way to the house. Now I shall have to look at it more carefully. However, I can assure the hon. member that the government is at all times taking action to relieve any situation where a problem exists, and that applies also in this case.

Mr. Chevrier: I wonder if I might direct a supplementary question to the minister which he could answer at a later date, unless of course he is in a position to do so now. The question arises in view of the contents of the last paragraph but one of the first part of the release. In view of the fact that the press release reveals that 37 per cent of the jobless total has been seeking work from four to six months, and 12 per cent for more than six months, will the minister tell the house whether his department is proposing any remedies to deal with this hard core of persistent unemployment?

Is there any answer to the question, or will the minister take it as notice?

Mr. Starr: Mr. Speaker, in view of the question which was put I did not think it was necessary to answer. All the hon. member asked me to do was ascertain whether the department could find some remedy for the problem.

ALGOMA—INQUIRY AS TO REPORT ON SALE OF STANROCK URANIUM CONTRACT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce based upon what I understand was the receipt by various hon. members of the house of over 3,000 telegrams, of which I received a substantial portion, relating to the need of the government to take action with respect to the disposition of certain mining contracts. In view of this pressure action from Elliot Lake will the minister tell us what action the government is contemplating and indicate when a decision is likely to be reached?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have also received my share of the telegrams sent from Elliot Lake. There are contracts under consideration relating to the Stanley mine and the Stanrock mine. Bids have been made for those contracts. As I stated yesterday in the house, I am awaiting a report from the board of directors of Eldorado with regard to the disposition of the contracts.

FISHERIES

BRITISH COLUMBIA—REPORTED DECISION TO NOT RESUME HERRING OPERATIONS

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 Fisheries. Has the minister noticed the decision of the fisheries association of British Columbia not to resume herring operations this year? If so, can the minister inform the house of any interest or action being taken by his department to bring about a resumption of this very important phase of the fishing industry of British Columbia?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I am not aware of a final decision to that effect, but this may be so. In any case, I shall look into the matter and reply at greater length later.

Inquiries of the Ministry

POWER

COLUMBIA RIVER—REQUEST FOR STATEMENT ON CANADIAN-U.S. DISCUSSIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Justice whether he is in a position to report to the house on the meeting which has just been held in Washington on the Columbia river project, and more particularly whether he would comment on a statement reported to have been made by a spokesman there that this project is on the borderline now, neither completely approved nor completely rejected.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, to deal with the last part of the question first, I have not seen the statement and I do not know who the spokesman purports to be. There have been a number of project sequences under discussion, and I would therefore not care to comment because, as I understand it, the statement of the alleged spokesman refers to "a project". I can only repeat that more than one project sequence has been under consideration.

The meeting took place on Monday and Tuesday of this week and the discussions, as was outlined in a press release, were helpful in further narrowing the areas of difference between the two negotiating teams. A further meeting has been arranged for June 20 and 21 to be held in Ottawa following a further meeting of the international work group which will be working on the data relevant to the various project sequences that have been under discussion.

It is hoped that after that meeting a progress statement at least might be issued. We hope to be in that position although I would not want to be taken as guaranteeing that this will happen.

Mr. Pearson: A supplementary question, Mr. Speaker. Does the minister now share the hope expressed over the air in March by the Prime Minister that before the present congress rises a firm agreement will be reached between the two governments on this matter?

Mr. Fulton: There is some uncertainty as to when congress will rise; but on the basis that it will rise in early July, there is room to hope that in so far as the negotiators are concerned they will be able to report firm recommendations to their governments before that event takes place, and it might even be possible for a tentative agreement or a joint statement of progress to be made by the two governments.

Mr. Pearson: Not an agreement?

[Mr. MacLean (Queens).]

Mr. Fulton: Well, I would think that would be running it fairly close, to say we would have a firm agreement before congress rises.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I ask a supplementary question in view of the importance of this matter to British Columbia. Could he indicate to the house when he feels that Canada and the United States may reach a decision with respect to the development of the Columbia river; and would he estimate that agreement would be achieved a long time ahead of the five years which the premier of British Columbia indicated it would take the two governments to reach an agreement?

Mr. Fulton: Yes, Mr. Speaker, I can answer that question without hesitation. I believe an agreement can be reached long before the end of five years.

NATIONAL DEFENCE

R.C.A.F.—EQUIPPING OF OVERSEAS DIVISION WITH ROCKET BOOSTERS

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. Does the government plan to equip the Sabre jets of our air division in Europe with the new rocket booster developed by the United States air force, which would give them supersonic capability and increased performance at high altitude?

Hon. G. R. Pearkes (Minister of National Defence): This device is still in the development stage. I think it is unlikely that we shall be able to adopt it for the Sabre F-86's, the reason being they are being replaced next year by the 104's and it is unlikely, even if development is speeded up, that this booster would be available by that time.

Mr. Hellyer: A supplementary question. Does the minister still hold that the F-104's will be available for re-equipping the air division next year?

Mr. Pearkes: It is anticipated that the 104's will start to become available for the squadrons in Europe next year.

(Translation):

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO CANCELLATION OF FRENCH TELEVISION PROGRAM

On the orders of the day:

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I should like to direct a question to the Minister of National Revenue or, in his absence, to his parliamentary secretary.

Why did the C.B.C. suspend its scheduled programs on May 23 over the French T.V. network in order to broadcast a special program on the first show business convention held in Montreal that same day?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): I shall take this question as notice, and answer it later.

Mr. Tremblay: A supplementary question, Mr. Speaker.

Could the parliamentary secretary supply, at the same time, an answer to the following question.

Does the C.B.C. make a practice of telecasting proceedings at various association conventions in the province of Quebec? If not, why was it done in this particular instance?

Mr. Lambert: Mr. Speaker, the same answer applies to this question.

REPORTED INTENTION TO SEND PRODUCTION TEAM TO EUROPE

On the orders of the day:

Mr. Louis Fortin (Montmagny-L'Islet): Mr. Speaker, I should like to ask the Minister of National Revenue a question; as he is not here, I would ask his parliamentary secretary to take this as notice.

The C.B.C. recently announced that the whole producing unit of the "Chez Miville" program will travel to Europe this summer to prepare some programs for the benefit of French-speaking Canadians. I would like the minister to tell us whether the C.B.C. or the sponsor will be paying the costs of that pleasant trip.

Mr. Lambert: Mr. Speaker, I shall take the question as notice, and it will be answered later.

PUBLIC SERVICE

QUEBEC—REPORTED REQUIREMENT FOR BILINGUAL MAINTENANCE STAFF

On the orders of the day:

Mr. Robert Lafreniere (Quebec-Montmorency): Mr. Speaker, may I ask a question of the Solicitor General who is also Acting Secretary of State.

I have received from the civil service commission a notice of a competition for the hiring of cleaning service men for the federal buildings in the city of Quebec.

The first qualification required of those chore-men is the knowledge of French and English.

I should like to know why a floor-washer has to be bilingual to work in a federal building in the city of Quebec?

I should like to know whether the civil service commission's requirements are the same for jobs of that type in other cities of Canada?

Hon. Leon Balcer (Acting Secretary of State): Mr. Speaker, I am not aware of the case referred to by my hon. friend. I admit that, on the face of it, it seems ridiculous to me.

I want to assure you that I will look with particular attention into this matter, and take it up with the civil service commission. I will see that so ridiculous a condition is redressed.

(Text):

CRIMINAL LAW

OBSCENE LITERATURE—REPORTED APPOINTMENT OF ADVISORY COMMITTEE IN ONTARIO

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, may I direct a question to the Minister of Justice. Is there any comment from the minister on the Ontario government's creation of a four-man expert advisory committee on obscene literature, from the point of view as to whether this suggests any dissatisfaction with or inadequacy in the 1959 amendments to the Criminal Code which the minister introduced and we passed last year?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am afraid I have not been provided with—or at any rate I have not seen—a copy of the terms of reference of that committee and I am, therefore, not aware of the basis upon which it was appointed. In the absence of such knowledge I am sorry I am unable to make any firm comment in the form requested by the hon. member. I should not think that it represents any feeling that our legislation is inadequate because I would assume that if there was that feeling I would have been officially advised of the fact.

IMMIGRATION

REQUEST FOR STATEMENT ON ILLEGAL ENTRY OF CHINESE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Justice, either in his capacity as Minister of Justice or in his capacity as Acting Minister of Citizenship and Immigration, whether

he could give the house any information on the fantastic story attributed to the Royal Canadian Mounted Police that approximately half the Chinese immigrants to Canada since the war have entered this country illegally.

Hon. E. D. Fulton (Minister of Justice): I would not care to comment on that, Mr. Speaker, in the absence of the minister. I would want to check with the minister before giving an answer. But I certainly do not accept the allegation that any statement made by the Royal Canadian Mounted Police is fantastic.

Mr. Pickersgill: May I ask a supplementary question. Could the minister check with the Royal Canadian Mounted Police to see whether this information was given to the press, particularly in view of the fact that similar information was denied to the house yesterday?

Mr. Fulton: I will check on that.

Mr. D. M. Fisher (Port Arthur): Now that the Minister of Citizenship and Immigration is in the house I should like to ask if she would carry on from where she left off in what was carried on the television news indicating that a more humane attitude would be adopted toward people of Chinese origin who have entered the country illegally. I wonder if she could go on from that and indicate what effect it might have on the Chan case.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): There are two separate questions there.

Some hon. Members: No.

Mrs. Fairclough: Oh, yes there are. In so far as any persons are concerned who are in the country in an irregular way, I have already said that the facilities of the department will be placed at their disposal to try to regularize their entry. So far as Chan is concerned, that is an entirely different problem.

Mr. Fisher: The reason for that addendum was that in this case the man applied through legal channels. I am just wondering whether this new attitude of the government would have any effect on people like Chan.

REFERENCE TO SPEECH BY PRIME MINISTER IN LONDON, ENGLAND, MAY 2

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): May I direct a question to the Prime Minister. In view of the high total of 787,000 unplaced applicants according to the figures released today by the dominion bureau of statistics, would the Prime Minister express his views today on the statement he made in London to the effect that our labour force will welcome at this time tens of thousands of immigrants?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have nothing to add to what has already been said in that connection.

REQUEST FOR OCCUPATIONS FOR WHICH IMMIGRANTS ARE BEING SOUGHT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Citizenship and Immigration whether she will soon be in a position to furnish the house with a list of occupations for which immigrants are now being sought, which she undertook to do some time ago?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I do not recall that I undertook to prepare a list. I offered the hon. member the use of the guide, with which he is familiar and which is produced by the department.

Mr. Pickersgill: Would the hon. lady be good enough to furnish an up to date copy of the guide?

Mrs. Fairclough: I will be glad to make it available to the hon. member. As he understands, it is a departmental document which does not have general distribution, but I will be glad to supply him with a copy.

UNEMPLOYMENT INSURANCE

SEASONAL BENEFITS—REQUEST FOR NUMBER CUT OFF

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to ask the Minister of Labour whether it is possible for him to supply the house, at a convenient and early date, with the number of unemployed who were cut off unemployment insurance because of the cancellation of seasonal benefits on May 15.

Hon. Michael Starr (Minister of Labour): I will look into that matter and see if it is possible to furnish that information to the hon. member.

EXTERNAL AFFAIRS

CHILE—SUGGESTED AID TO EARTHQUAKE VICTIMS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Prime Minister. In view of the catastrophic damage and tragic loss of life which has occurred in Chile, will

the government consider the advisability of rendering tangible assistance on behalf of the Canadian people?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, all of us have every sympathy for the people of Chile in the disastrous catastrophe that has taken place there. Naturally every consideration will be given to that matter, particularly after the Red Cross, which normally concerns itself with matters such as this, brings the situation to the attention of the government and the need to meet it.

PARLIAMENT HILL

INQUIRY AS TO WORK OUTSIDE EAST BLOCK

On the orders of the day:

Mr. Azellus Denis (St. Denis): I should like to direct a question to the Minister of Public Works. I should like to know why, three weeks ago, the Department of Public Works constructed a wooden platform and stair, as well as a ramp, to cross a 3-foot stretch of fresh cement near the main entrance to the east block, when an ordinary plank would have served the same purpose.

Mr. Speaker: Order. I am not sure that the hon. member's question comes under the heading of urgent public importance. Perhaps he has served his purpose by stating it.

Mr. Denis: I know what I am talking about, because I crossed over it.

Mr. Speaker: I am sorry, but the hon. member could deal with that matter when the Department of Public Works estimates are being considered. His question is directed to the difference in cost between a plank and a ramp, and I do not think the house should concern itself with such matters at this time.

POST OFFICE DEPARTMENT

SUGGESTED LESSENING OF LOADS OF MAIL CARRIERS

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I ask a question of the Postmaster General. Has the Postmaster General considered the advisability of finding a means by which the heavy loads carried by mail carriers will be lessened?

Hon. W. M. Hamilton (Postmaster General): I hesitate to say that the loads ordinarily carried by letter carriers today are in any way out of proportion to their ability to shoulder them comfortably. However, we do have under test at the present time, or will have under test very shortly, a new type of two-wheeled cart. I think the closest comparison I can make to it is the golf cart with which some hon. members may be familiar as a result of their excursions on the golf course. We feel that such a cart may be of use to our letter carriers so they could roll their bags along rather than carrying them on their shoulders.

This cart is in the very early stages of development and test, and I would not want the members of the house to feel that this is a certainty for the future.

Mr. Denis: A supplementary question; will the mail carrier have to belong to a golf club?

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, my experience has been that most of our letter carriers find it quite enough to do their walking during the week without playing golf on Sunday.

EMERGENCY GOLD MINING ASSISTANCE ACT

AMENDMENTS TO EXTEND APPLICATION, ETC.

Hon. Paul Comtois (Minister of Mines and Technical Surveys) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Emergency Gold Mining Assistance Act to extend its application to the years 1961, 1962 and 1963; and to provide also for certain changes in connection with the administration of the act.

Motion agreed to and the house went into committee, Mr. Flynn in the chair.

Mr. Comtois: Mr. Chairman, with your permission I should like to make a brief statement on the resolution.

The main purpose of the legislation to be introduced is the extension of assistance to the gold mining industry for an additional three years beyond the present date of expiry of December 31, 1960, without change in the present rate of assistance. A second purpose is to clarify a section of the act for administrative purposes.

You will recall that the Emergency Gold Mining Assistance Act was originally passed in 1948 to provide assistance to an industry which was confronted with unusual economic difficulties as a result of the combination of rising costs of production and a fixed market price for its product.

In 1958, at the time the act was extended by this house to apply to the years 1959 and 1960, it was recognized that costs of production had risen to the point where an upward revision of the rates of assistance was necessary to enable the gold mines to maintain operations. The amount of assistance payable for each of the years 1958, 1959 and 1960 was increased by 25 per cent over that calculated under the formula as written into the act.

Emergency Gold Mining Assistance Act

In introducing the 1958 amendment to the act I presented a brief review of the history of the Emergency Gold Mining Assistance Act and referred to the continuing economic problems facing the gold mining industry. A review of the present economic position of the gold mines has indicated that of the 40 lode gold mines receiving assistance payments in 1959, 25 mines would be compelled to reduce their scale of operations and perhaps cease operations if aid granted under the Emergency Gold Mining Assistance Act were discontinued.

One of the factors of which the government is mindful in proposing an extension of the operation of the act is the degree of dependence of the gold mining communities upon the gold mining industry. It is evident that termination of assistance payments would lead to difficulties which would have adverse effects on the employment situation in the areas concerned. Notwithstanding the efforts of the mines to reduce costs of production through the use of efficient methods and equipment, it is clear that the need for assistance is no less than it has been in recent years.

The gold mining industry is an important segment of the economic life of our country. It employs over 16,000 men directly, and the population of dependent communities exceeds 70,000 persons. In 1958 the industry expended $106 million in salaries and wages, fuel, electric power, and supplies and equipment. In the same year the industry produced a total of $155 million in gold, most of which was sold to the United States.

It is anticipated that the amount of assistance which will be paid under the provisions of the act with respect to the year 1959 will total $11.7 million. Of this amount, $2,340,000 is attributable to the increase of 25 per cent in the amount of assistance payable. At March 31, 1960 the amount of assistance which had been paid with respect to the year 1958 was, in round figures, $11,138,000, and with respect to the year 1957, $9,680,000. The total amount paid under the act during its 12 years of operation is $131,063,221.51.

Assistance payments are made on gold produced from placer operations as well as on production from lode gold mines. Placer gold is generally recovered from gravel in the beds of streams, whereas lode gold mines usually mine vein-type gold deposits. Approximately 2,416,000 ounces of fine gold were produced in 1959 from gold mines eligible for assistance payments. Some 65,000 ounces were recovered by placer operations and the balance was produced by lode gold mines.

Of the 4,444,845 ounces of fine gold produced in Canada in 1959, 55 per cent was produced from gold mines eligible for assistance, 33 per cent from gold mines not eligible for assistance, and 12 per cent was produced as a by-product from base metal mines and was not eligible for assistance.

The amount of assistance a mine receives depends upon both its cost of production and the number of ounces of gold it produces. The formula by which the amount of assistance payable is determined is the product of two thirds of the excess of the average cost per ounce above $26.50, and two thirds of the number of ounces produced by the operator and sold to the mint in that year. This product, increased by 25 per cent, is the assistance payable. A mine receives no assistance if its average cost of production for the year is $26.50 or less.

Fifty three lode gold mines were in operation in 1959. Forty of these mines received cost aid. The remaining 13 were ineligible because of low costs of production. One new mine commenced operation and one mine ceased production during the year.

The purpose of the amendment of subsection 1 of section 3 of the act is to ensure the maintenance of the policy of the government to pay assistance on gold bullion only when it is sold to the Royal Canadian Mint and not on gold bullion that is exported and sold elsewhere. Assistance will continue to be paid on gold exported as contained in ore or concentrates which cannot be economically treated in Canada.

In the maintenance of mining operations over extended periods of time, underground exploration for new ore and the development of known ore must be planned and executed well in advance of the extraction of the ore. In the case of marginal mines, it is especially important that the probable future utility and value of current exploration and development work be carefully assessed. This factor has been taken into consideration in proposing an extension of the operation of the act for a three-year period rather than a two-year period.

It is my hope that this measure will contribute to maintaining the level of gold production in Canada and in this way promote the well-being of our northern gold mining communities.

Mr. Dumas: Last January, when it was announced in the throne speech that the government had decided to extend the Emergency Gold Mining Assistance Act for another period of three years after December 1960, the industry in general expressed satisfaction. The news was also well received by communities in Canada whose prosperity and existence depend on gold mining.

In my own constituency, however, where there are nine operating gold mines with some 4,000 gold miners on the payroll, some of the local newspapers expressed the view that the assistance was somewhat short of what it should be on account of the Canadian dollar being at such a high premium.

(Translation):

In its issue of February 18, l'*Écho de Val d'Or*, a local daily, reported a question which had been asked by Dr. H. B. Keevil, chairman of the board of directors of Lamaque Gold Mines Limited, at the annual meeting of that company. Here is the question:

Why could not the Canadian government agree temporarily to buy gold at $35 an ounce in Canadian funds, or alternatively, why could it not base its grants under the Emergency Gold Mining Assistance Act not only on production costs, but also on the lower prices for gold due to fluctuations in the Canadian dollar?

(Text):

The *Rouyn-Noranda Press* and Val d'Or *Star* in their issues of the same date, February 18, 1960 expressed about the same views, and so did some of the other local newspapers.

Mr. Chairman, since its inception in 1948 the act has been amended and extended a number of times. Its main purpose is to assist the Canadian gold mines and the communities depending on that industry. In other words, the act was passed in order to prevent the collapse of the industry and the communities which it supports. Now in its thirteenth year of operation, the Emergency Gold Mining Assistance Act has been an invaluable interim measure without which very few gold producers or the communities which they support could have remained in operation. Canada has been producing gold for more than 60 years, but the production of the Canadian lode gold mines during 1959 was only about three times that of the year 1900, which is an extraordinary thing.

The historic contribution which the gold mining industry has made to the national economy in earlier and more favourable circumstances in creating new wealth, affording steady employment, stimulating other industries and opening up and developing northern Canada by establishing important towns and communities is a well-known matter of record. Equally well known to the Canadian people are the adverse economic factors with which the industry has had to battle since during the last world war. These have been discussed at length and in detail each time this measure has come before the House of Commons during the last 13 years.

During the post-war years the drastic impact of mounting costs of production against the fixed and controlled price of gold has operated with shattering effect upon the industry. In 1946 the Canadian gold production totalled only 2.8 million ounces as compared to 5.4 million ounces in 1941. The number of operating mines had been reduced from 140 to 88. Prospecting and exploration for new properties was brought to a standstill, and the towns and communities which depended on gold mining activity had suffered to the point where their future existence was in jeopardy.

The gravity of the situation was recognized at the time by the Canadian government, and assistance was afforded by the Emergency Gold Mining Assistance Act which came into effect on January 1, 1948. As I have already mentioned, with a few modifications and amendments required to meet changing conditions the act has been periodically renewed. It is due to expire at the end of the current calendar year, and parliament is asked to extend the operation of the act to 1961, 1962 and 1963.

The enactment of the Emergency Gold Mining Assistance Act in 1948 was made in the light of the conditions existing then. It was not anticipated that during the ensuing years there would be as sharp a drop in the mint price of gold as we have experienced since 1955. When the act was amended in 1958 it provided a straight increase of 25 per cent. That increase was welcomed, but it could have been 50 per cent and it would not have been exaggerated. To prove my point here are some figures which will be of interest to the committee.

After 1948 the general trend of the Canadian mint price of gold as determined by the fluctuation of the Canadian-United States exchange rate was upward, rising from the $35 that it was then to $38.05 in 1950. From 1950 the trend was exactly the opposite; it dropped steadily during the following six years, and the average price per ounce during that period was $34.75. During the last three years, 1957, 1958 and 1959, the average price per ounce was $33.70, and not so very long ago it went down to $33.13 per ounce.

The average price per ounce of gold paid by the Royal Canadian Mint in the first quarter of 1960 was $33.22 compared with $33.54, the average for the whole of 1959, $33.98 in 1958, $33.55 in 1957, $34.45 in 1956 and $34.52 in 1955. This deterioration in the mint price for gold during the last three years had a tremendous effect on the industry, and the increase in subsidy in 1958 was more than justified. The average mint price per ounce of gold for that period, from 1948 to 1956 inclusive, was $35.40 while the average for the last three years, 1957, 1958 and 1959, was only $33.70. This represents a loss of $1.70.

The gold mines eligible for federal assistance produced an estimated 8.2 million ounces during the last three years. The loss of $1.70 per ounce represents a loss of revenue to these mines of some $14.4 million. This of itself nullified 44 per cent of all the assistance received during that same period, which is estimated at about $33 million including the 25 per cent increase in 1958 and 1959. The gold mining industry has been caught in the squeeze of diminishing revenues and increased costs, and considering that condition it is not surprising that the number of producing gold mines has been reduced from 88 in 1946 to 50 in 1959.

Mr. Chairman, high tribute is paid by everyone in a position to judge to the consistent and remarkable efforts which the gold producers have made in achieving the maximum of efficiency and economy. The gold miners themselves and other employees in the Canadian gold mines have also brought their contribution to bear in this respect. In many ways production crews have fought successfully against the forces of inflation, and so have continued operations which could well have been expected to close.

Those men responsible for the continuing production in the 50 Canadian gold mines we now have in operation, including the executives, the managers, the hard rock miners, surface employees and others, should be given full credit for their resourcefulness, determination and good work.

The price of gold, however, fixed by the policy of governments and, as far as Canada is concerned, subject to fluctuation with the Canadian-United States rates of exchange, is something entirely beyond the power of the gold producers and their employees to control.

The conditions under which gold mines have had to operate have grown increasingly unfavourable and are much more difficult now than they were in 1948 when the Emergency Gold Mining Assistance Act was instituted.

It is not possible to record any easement of operating conditions since 1956. Costs have continued to climb, and only recently has there been evidence of some levelling out in the costs of supplies. Wages, which account for close to 60 per cent of operating costs, have of necessity been increased periodically since 1948. Also there has been further decline in the mint price of gold since 1956 and, as I mentioned earlier, the mint price went as low as $33.13 in November, 1959. Indeed, the decline in the mint price of gold during the last three years has been one of the most severe handicaps with which the industry has had to contend.

Under the double impact of reduced revenue and increased costs, the cost-price squeeze has brought most of the gold mines to a more highly critical condition than any experienced since the Emergency Gold Mining Assistance Act was first instituted. This is why I said earlier in my remarks that the 25 per cent increase in subsidy in 1958 hardly compensated for increased costs since 1956, and that an increase of 50 per cent would have been more in line, especially in view of the adverse effect created by the high premium on the Canadian dollar which has prevailed during the last three years.

Fortunately, during the last month the premium on the Canadian dollar has come down substantially and this is of special significance to the hard-pressed gold mining industry. Yesterday the premium dropped to 1.3 per cent as compared to 4.27 per cent, the average for 1959. The Leader of the Opposition tells me that today the premium dropped to 1 per cent. So it can be seen that this drop to date represents an increase of more than $1 an ounce in the mint price for gold. If the Canadian dollar were to stabilize around par with the United States dollar the present formula of calculating the assistance paid to the gold mines would be just about right. On the other hand, if the present drop in the value of the Canadian dollar as compared to the United States dollar is only temporary, and if it is to go back to a high premium again, the present formula of calculating the assistance is certainly not adequate.

It is hardly necessary to emphasize that gold is a monetary metal and that it is undervaluated at $35 U.S. an ounce. The price of gold has not advanced with the rise in wages and the prices of commodities, with the result that the cost of producing gold in many of our Canadian mines is much higher than $35.

It is also a fact that the function and value of gold has been much played down during the post-war years. However, this trend seems to have been reversed lately, and it is encouraging to note the growing importance which is being attached by many prominent economists to greater production and availability of gold for the purpose of arriving at full convertibility of national currencies and promoting an increased volume of world trade.

A great number of monetary authorities consider an increase in the price of gold inevitable, but when will it come no one knows, and few will venture to guess. In the opinion of some economists, factors which might cause a change of attitude in United States include the threat of a major depression, or

a loss of gold to such an extent that United States reserves would drop to a very low level.

In the meantime the gold mining industry and the dependent communities of this country continue to be crushed between a declining price and rising costs. The answer to the question as to how many mines and communities will be able to survive and for how long depends on the wisdom of the Canadian government in continuing the Emergency Gold Mining Assistance Act on a fair and reasonable basis.

In introducing this resolution, the minister has mentioned certain changes in connection with the administration of the act. We will know more about those when we have the bill.

I would like the minister to give serious consideration to another minor amendment to the act, an amendment which would add very little to the total amount of assistance payable by the government but which would at the same time remove what I think has been an anomaly, more particularly since the government has deemed it advisable to increase the subsidy by 25 per cent.

Of all the gold mines operating in Canada and receiving assistance under the act there are a few with operating costs exceeding $45 per ounce. The maximum assistance to which these mines are entitled under the act is restricted in this way: that the rate of assistance factor is determined by taking two thirds of the amount by which the cost per ounce exceeds $26.50 with a maximum of $12.33. "With a maximum of $12.33" is the restrictive part of the formula. When it was deemed advisable to increase the subsidy by 25 per cent, this was done because the government and parliament were satisfied that increased production costs were such that an increase of subsidy was justified.

The anomaly is, according to me, that we are not using the same yardstick for those mines with costs exceeding $45 per ounce. For this reason I believe that the maximum of $12.33 should be increased. I leave this matter to the good judgment of the minister, and I hope he will give it full consideration.

Canada's annual gold production is approximately 4.5 million ounces of which 3.9 million are produced by lode gold mines and placer operations, and the remaining 600,000 ounces as a by-product of base metal mines. Of the 50 lode gold mines in production, all but nine qualify for assistance under the terms of the act, having annual costs in excess of $26.50 per ounce of gold produced. Few of these 41 mines could survive for any appreciable length of time without the assistance received through the Emergency Gold Mining Act.

To substantiate this I wish to draw the attention of the committee to the facts revealed in the following analysis:

1. Twenty four gold producers, producing 34 per cent of lode gold production from assisted mines, have operating costs in excess of the current mint price. Thirty two producers producing 75 per cent to 80 per cent of the lode gold production from assisted mines have costs in excess of $30 an ounce.

It is evident that mines in the first group would have little or no chance at all of survival in the absence of assistance. It is also evident that of the additional eight mines with costs between $30 and $34 an ounce few would be in a position to continue production either at all or for any length of time. Mine shut-downs in many parts of Canada would be inevitable and what is more serious, most of these shut-downs would be permanent.

The gold mining industry currently affords steady employment to more than 18,000 Canadians as compared to more than 20,000 in 1950. Most of these are the heads of families and support a number of dependants. In addition it is estimated that for each man employed in a gold mine four others are given employment in industries supplying the mines with goods and services.

Any further drastic curtailment in gold mining employment would have very serious effects on the general employment situation in Canada, which is not only less satisfactory now than it has been for many years, but is very critical. Only today the dominion bureau of statistics has reported that for the month of April there were 517,000 unemployed and seeking jobs, as compared to 445,000 for the same month in 1959. The effects, direct or indirect, of any substantial reduction in gold mining employment are bound to have serious repercussions on the national economy and would certainly require extensive and expensive measures of rehabilitation and relief.

No industry is satisfied to feel that it is in any measure dependent for its continued existence upon the federal treasury. On the other hand, no industry concurs willingly in its own demise. In considering the over-all cost to the Canadian government of expenditures made under the Emergency Gold Mining Assistance Act there are a number of factors which are not to be overlooked. In the first place, even if the federal treasury had to pay some $131 million in assistance to the gold mines from 1948 to 1959 inclusive, it is important to note that the cost per ounce including the subsidy for all the gold purchased by the Canadian government during that period was only about 50 cents

above the average price per ounce the government had to pay during that period of 10 years previous to 1948.

Second, the government of Canada during the last 12 years has built up a substantial reserve of gold. As a result of even a moderate variation in the Canada-United States rate of exchange these stocks would show substantial appreciation. In the event of a revaluation of the price of gold the benefits which would accrue would more than compensate for all the expenditures made under E.G.M.A. and the Canadian government and the Canadian people will be the chief beneficiaries.

Third, we must not forget that a substantial portion of the amount paid in assistance returns to the federal treasury in the form of taxes. In these circumstances, the amounts paid out as assistance seem a very small price to pay for the advantages to be gained by maintaining strong gold reserves, by keeping alive the gold mining communities across the country which otherwise would become ghost towns and by maintaining high employment in these communities.

Mr. Martin (Timmins): Mr. Chairman, we have just heard the case of the gold mining industry placed before the committee better than it has ever been before. It will be noted that I referred to the gold mining industry—

Mr. Dumas: And the employees.

Mr. Martin (Timmins): —because if this speech was not written by the mine manager's association certainly all the material came from that source and that source only.

Mr. Dumas: Mr. Chairman, on a point of order, the hon. member for Timmins, who I know is a good friend of the gold mining industry and its employees, has said that the material for my speech presented only the case of the industry. In my remarks I was very careful to mention that my plea was for the gold mining industry, the mining communities and the mining employees. I know the hon. gentleman does not want to be unfair, and I think this is a valid point of order.

I did not pay too much attention to that part of the hon. member's remarks, but in addition to that he suggested that my speech was written by the gold mining industry or the association. He is wrong. He surely knows that I have spoken in this chamber on behalf of gold mining for the past 11 years and I have never asked anyone to prepare any speech for me. I have always prepared my own.

The Chairman: The hon. member for Timmins well knows it is contrary to the rules to impute, directly or indirectly, motives to any hon. member. In his reference to the preparation of the speech of the hon. member for Villeneuve by the companies I think the hon. gentleman is guilty of an indirect imputation of motives and should accept the correction offered by the hon. member for Villeneuve.

Mr. Martin (Timmins): My reference was entirely to the material in the hon. member's speech. Since there are two sides to every story and as only one side has been presented so far by the hon. member, before presenting the other side of the story I should like to fill in a few points which the hon. member missed in regard to the difficult position in which the gold mining industry finds itself.

I have here a list of the most essential materials used in the gold mining industry such as timber, posts lagging, cribbing timber, steel plate, grinding balls, powder, cyanide and so forth. The costs of these commodities increased between 1945 and 1959. As has already been pointed out the fluctuations of the Canadian dollar make a difference and these figures may not apply as of this date but as of the end of 1959 the price received by the industry dropped to 86 per cent of what it was in 1945. The cost of essential materials used in the industry, on the other hand, increased in this period. British Columbia fir square timber increased in cost to 281 per cent; spruce 2 x 4's increased in price to 160 per cent; the cost of 2 x 8's increased to 179 per cent; the cost of 9-inch round posts increased to 211 per cent; the cost of lagging increased to 212.5 per cent; the cost of cribbing timber increased to 200 per cent. And so on down the line; the smallest increase shown in any major product used in this industry was in that of cyanide, which increased to only 129 per cent.

There is a good side and a bad side to everything, Mr. Chairman. To get a proper picture of any problem you have to look at both sides. The picture painted of the gold mining industry has been that of the great big brother or father, or what have you. We have been told that, if given the opportunity, this industry was going to do so much for the employees and the communities in which the employees live. I do not think that is giving the proper picture. Certainly, it is not one substantiated by the history of this industry. I think we need no better illustration than to go back to 1934 or 1935 when the increase in the price of gold came into effect, when gold jumped from $20 an ounce to $35 an ounce, an increase of 75 per cent. At that time the employees received the grand sum of 5 cents an hour as an increase.

There is another factor, too, that we must keep in mind if we are going to have a fair and reasonable view of this problem. While it is true that there is a fixed price for the product of the gold mining industry and while costs keep going up the price stays the same or, if the exchange on the dollar happens to go the wrong way, the price can even decrease, yet the fact still remains that it is the only industry in this country which knows exactly what it is going to get for every ounce of product that it produces. In that respect at least it is placed in a more favourable position than some of the other industries.

It has been mentioned on one or two occasions today that the purpose of this Emergency Gold Mining Assistance Act was to help the industry. Certainly history has shown us that that is exactly what has happened but, I think, if we look at the original act and read the preamble to it we will find that the original intention was to help the gold mining communities and to prevent them from becoming ghost towns. There are a couple of ways in which that could be done. There is one temporary way in which it could be done and that is by paying straight assistance to the industry to keep it going, to lengthen its life. But again we must keep something in mind. The day of reckoning must come because gold is a wasting asset. Whether we extend the operation 5, 10 or 50 years, the day is going to come when there will be no more gold in those mines. Then what will happen to the communities? Therefore, there are two ways in which this very commendable objective can be reached. One is, as we have been doing in the past 12 years, to pay a subsidy directly to the industry with no strings attached.

I should like hon. members to answer one question. Are we any closer today to solving the problem of the gold mining communities than we were 12 years ago before this $131 million had been paid from the public treasury. I maintain that we are not. If the Hollinger and McIntyre mines in Timmins were to close tomorrow we would have another Matachewan ghost town on our hands, only a much bigger one. We are not one step closer to solving the problem of the communities than we were in 1948.

How much value have we had for this $131 million that we have spent from the public treasury? I do not think anyone really knows. That is why on every possible occasion since I came down here in 1957—and the hon. member for Timiskaming has also endeavoured to do the same on many occasions —I have tried to get this government to establish a committee consisting of the five interested parties, namely the federal government which pays the subsidy, the provincial government which administers the mining act, the municipalities which are so directly involved, the industry as represented by the gold operators and the miners and employees as represented by their trade unions, and have this committee look into all aspects of the gold mining industry to see if in fact we are getting value for our money, or whether there is some much better way in which this money can be spent in the future.

When we take into account the public at large, the gold mining communities, the investments in those communities, the capital investments, the houses, the schools, the churches, the streets, the sewers, the sidewalks, what are we going to have in those gold mining communities across the country 25 years from now? Will we have 50 ghost towns and 100 years from now 300 ghost towns, or is there some other way in which some use can be made of this capital investment, some better way than the one we have at the present time?

On other occasions I have listed some of the reasons why we cannot be too sympathetic toward some of the gold operators whom we have in this country at the present time. I am sorry to report that the conditions I have listed on more than one occasion have not improved. As time has gone by the gold operators of this country have not changed, they are just as unreasonable today as they were two years, five years and ten years ago. In the gold mining industry they are still fighting the battle that was fought in every other industry 25, 50 and 100 years ago. We are still being paid very low wages in the gold mining industry today. I know the mines are pleading poverty, and especially right at the present time when negotiations are opening up for a new contract. If you talk to many of the gold mining people up in my area they will tell you it looks as if the mine is going to close down this year and everybody is going to be out of work, and if you talk to someone else you find that negotiations have opened up and you know this talk will go on until a contract is signed and you will hear no more about the mine closing until the contract is opened up again.

Over the past four or five years we have seen another practice develop in the gold mining industry. As soon as the mines first opened up in Elliott Lake, at Bancroft and at Manitouwadge, and so on, where wages were twice what they were in the gold mining industry, the top miners started to trickle away from the gold mines. I do not think one could blame them too much when the wages in the Timmins area, for example, ran from $1.25

to $1.50 an hour and in the Elliot Lake area they were in the neighbourhood of $3.00 an hour.

Instead of trying to compete and trying to increase wages sufficiently to keep these people at home with their families and in houses they have built and paid for—these people did not want to leave the community; their roots were very deep in the community and many of them were born there—the gold mining industry established the practice of sending recruiting teams over to Britain and Europe to bring in immigrants to replace the men. Those immigrants, or many of them, stayed only long enough to pay back their fare; and, if they did not know the French or English language, long enough to learn enough of the language to enable them to move to another place, and the gold mining industry and the gold mining communities became a sort of training ground for immigrants.

This practice is still being continued. Even in the face of the present mining situation, with which we are all familiar, with uranium mines closing down all over the place and experienced miners returning to the gold fields, what do they find? They find that two mines in the Timmins area, Hollinger Consolidated Gold Mines and McIntyre Porcupine Mines Limited, the two biggest operators in the Timmins camp, have recruiting teams over in Britain trying to lure men to come over and get these jobs ahead of the returning miners.

There was some controversy over this not too long ago. I was talking one day to the personnel manager of Hollinger Mines, and he told me that these reports were not in accordance with the facts, and that when the figures were published showing the number of miners the company had rehired, somebody's face would be very red. I wrote him a letter a while ago, and I should like to quote a portion of that letter today. I said:

> —but I would like to have discussed this recent problem that has arisen relative to immigrants versus local miners.
>
> As I stated in the house when speaking on this subject on Friday last—

This letter is dated February 29, 1960.

> —I have seen arguments both pro and con in our newspapers, and I am not in a position at the present time to say who is right and who is wrong. However, I do know of two particular cases which caused me considerable concern. If there are any reasons why these two men should not be hired I would like to know, if only for my personal and confidential information. One, of course, I have already discussed with you, Mr. Leo Gagnon. In fact I might say it was my understanding that that matter was settled when I first came down at the opening of this session. I have been told since that he went down to the Hollinger on Monday morning and received the same answer he had received previously "They would keep him in mind".
>
> [Mr. Martin (Timmins).]
>
> The other case is one involving Mr. Leo Lepine, who at the present time lives at 142 Dome avenue, South Porcupine, who according to the information I have, has been given what is commonly known as the run-around. He has six years mining experience, and he is only 36 years of age and is supposed to be a first class miner.
>
> As I said previously, if there are reasons why these men should not be hired I have never been told. I would appreciate any light you can throw on this subject.

When I did not receive an answer to this letter I wrote again on March 28, 1960 and I said:

> On checking my files I failed to find an answer to my letter of February 29.
>
> Would you be kind enough to forward me another copy.

Needless to say, I have still to receive an answer to this letter. In the light of this fact I can only assume, Mr. Chairman, that these charges that we read in our newspapers are true. I know of cases where immigrants have been hired at the Hollinger mine when their only previous experience was that of store clerk or, in one case, an instructor at a technical school.

I should like to point out that our Minister of Labour has certainly had an embarrassing time this session in trying to solve all the unemployment problems. A situation such as this tends to confuse the unemployment issue and further embarrass the minister. The Minister of Citizenship and Immigration cannot escape scot-free in this instance because immigration, whether it comes directly through her office or—

The Deputy Chairman: I am having a little difficulty trying to reconcile the hon. member's remarks with the resolution, especially the last few remarks that he has been making.

Mr. Martin (Timmins): Mr. Chairman, at the present time this committee is being asked to renew the Emergency Gold Mining Assistance Act. I would suggest that before the committee can come to a proper decision as to whether or not this act should be renewed, it should have as clear a picture as it is possible to have of the gold mining industry and its ramifications. This is the purpose of my remarks.

Another thing of which this committee should take full cognizance is the fact that these same companies I mentioned before, Hollinger Consolidated Gold Mines and McIntyre Porcupine Mines Limited, have from the year 1948 and up to March 1, 1959—another year has been added since I obtained these figures—received the following amounts under this act: Hollinger had received a total of $9,271,488.50 and McIntyre had received $5,704,781.82. During the 12 years which they were receiving that money, this total of over $15 million from the Canadian taxpayers, the

Hollinger opened up the huge Ungava iron ore empire in Labrador and McIntyre is reported to have bought out Algoma Steel, the estate of the late Sir James Dunn in Sault Ste Marie.

Current rumour is that negotiation are under way now for a merger between these two mines. They are located adjacent to each other, one on each side of the highway. McIntyre recently had a large copper strike. I am told that they have 12 million tons of copper mapped out. The purpose of these negotiations would be to mill all the gold from McIntyre in the Hollinger mill and turn McIntyre into a copper mill, yet retain its identity as a gold mine so that the company could receive the gold subsidy.

These are some of the things that this committee could ascertain. These are some of the things that this committee should know before passing legislation of this kind. Are we getting value for our money? Are we spending it sensibly and in the best way we can or are a few smart operators putting it over the Canadian public There is no question in my mind but that many of the gold mines operating today would not be operating were it not for this act. In the main, I would say this is a good act and is one that has been very beneficial, particularly to my region of northern Ontario.

The Emergency Gold Mining Assistance Act makes provision for inspectors to visit these mines to make sure that everything is as it should be. After considerable difficulty last year we discovered that not only had these mines never been inspected by a government inspector, but that there was no such person on the payroll. How do we know that everything is in order?

I would say, that one thing that should be given very prompt and very careful consideration is the matter of establishing secondary industries in our mining towns. We do not have to look any further than the recent disastrous effect of the drop in the market for uranium to see what the results can be for a town whose economy is based on mining. We have seen a modern city like Elliot Lake facing the possibility, unless something new is developed, of becoming a ghost town. The only difference between Elliot Lake and practically all the gold mining communities is that in the case of Elliot Lake this development only took five years, whereas in the case of the gold mining communities it may take 20, 40 or 100 years. The end result will be exactly the same.

I would say, Mr. Chairman, that this is a very urgent problem. If these communities are going to continue, then the government must renew this act. However, I repeat that in its present form it does not appear to be the answer. I say it is a simple matter for this government to get the knowledge that is required. We have been paying out for 12 years now at the rate of $12 million a year to accomplish a certain purpose. Are we accomplishing that purpose or is there a much better way of spending this money?

Mr. Van Horne: I believe that the mining industry in Canada deserves every commendation on the part of Canadian citizens and of this government. I think any industry which has not only been able to survive but to increase its efficiency to the peak it has now attained, with some 18,000 employees, deserves a great deal of credit.

Under this particular act it is proposed to spend, I understand, something like $12 million a year in order to make sure that 18,000 employees still maintain their jobs. Of course there are other incidental benefits, extremely important as they may be, but the fact is that this government is going to continue to spend $12 million a year in order to keep 18,000 employees at work.

The gold mining industry itself has done a great deal to help itself. This recent action to permit the sale of gold bars, the question of having listed the one kilogram gold bar on the Toronto stock exchange and the increase in the purchase of gold bars in this country are making many people realize the important part that only gold can play in reflecting and keeping sound values in our dollar.

Furthermore, the export of gold is increasing in most countries of the world. Close to 6 per cent of the total United States reserves of gold went out of the United States in 1959; that is more than $1 billion worth. I feel, of course, that gold should and must be an export item. I think our government would be well advised to continue and to increase the efforts which it has been expending to promote the export of gold throughout the world.

The fact that the United States exported $1 billion of its reserves of gold in 1959 means that the United States has diminishing reserves of gold and is to some extent losing the freedom of movement in its fiscal position with regard to gold. The United States government either must raise the price of gold or run the risk of slackening all the more the gold standard which has fairly well been discarded.

I should like to present what I feel are one or two important problems. According to the information I am able to get through the dominion bureau of statistics, the Bank of Canada has in its reserves $1,800 million. Of this amount only $1 billion is represented in gold, the other $800 million being represented in long term and short term United

States securities and United States dollars. I feel that this government should give serious consideration to using gold for a large portion of the $800 million that is now represented in United States currency which in itself has not the value possessed by the Canadian gold reserves, dollarwise, nor are those values likely to equate themselves over the next few years.

We have the fact that gold mining is a very important industry, that the export of gold is being more and more practised by many countries, that the gold reserves of the Bank of Canada could be much greater, and also that world trade in the past 20 years has developed more than six times as fast as have the gold reserves of the free world. For all these reasons and many more which I will not mention this afternoon I feel that a thorough investigation should be made by means of a royal commission appointed to study the effect of subsidies with regard to all our mining activities.

As the Minister of Veterans Affairs will be able to point out, we have in eastern New Brunswick recently discovered minerals and mines that warrent development; but unless something is done to guarantee the prices and to encourage these industries to develop these mines, I greatly doubt whether those mines will be developed for many years to come.

I feel that the whole problem of the mining industry in Canada, not only with regard to gold but with regard to all other metals, should receive the serious consideration and the studies which a royal commission could provide. I am not trying to belittle the gold mining industry nor am I trying to give any impression that I am not wholeheartedly behind this resolution. However, I feel that this resolution in itself is not much more than a stopgap measure and that some serious thought and study should go into the problem of solving our mining problems in this country.

Mr. Fisher: The first job I was given when I went to work in a gold mine was one that was most unpopular of all. It is called mucking out the sump. You have to get down in the drip and dirt, mucking over the boot, to keep it clear from all the things that come down the shaft. The unfortunate thing about mucking out is that it is a job that must always be carried on on a fairly regular basis. Otherwise the shaft fills up and the mine cannot work. It seems to me that the minister is performing the function today, through this resolution, of mucking out the sumps of the gold mining industry in the main. It is a task that must be done.

[Mr. Van Horne.]

We have already had from a number of hon. members arguments that indicate that this legislation is no solution in itself. I want to speak about several aspects of the problem, one of which is something that has been touched on slightly by the hon. member for Timmins and to which I have directed the attention of the minister on previous occasions. I can make the point just as well to start with by reading a quotation from an article in the Toronto *Star* of last spring, wherein it was stated:

> Criticism by C.C.F. member of parliament Douglas Fisher that the government hands out millions of dollars in cost-aid to gold mines with inadequate inspection of the mines is ill-founded, the two mining organizations commented.

That is the Canadian Metal Mining Association for one and the Ontario mining association for the other. The article continues:

> "It is a pure cost inspection—the inspectors don't have to go underground," said Mr. Wansborough.

He is managing director of this association.

> He said Mr. Fisher had confused the functions of a provincial mine inspector, who checks to see safe mining practices are used, and a federal inspector.
>
> No mining company ever thought the cost-aid examination of a mine's accounts and records was lax, he said.

The mistake in this interpretation by Mr. Wansborough is that I was mistaken and mixed up the provincial and the federal functions. I think we have enough examples—I would mention the Jacques Cartier bridge situation—to make us realize that wherever the federal government is receiving or paying out revenue it is our duty to be suspicious of human nature and that we have to make sure about the safety of the funds the government is receiving and paying out.

I want to point out to the minister one matter. I do not know whether or not he will be introducing an amendment, but I should like to point out to him that in the original act—and I believe the situation still exists—which is chapter 95 of the Revised Statutes of Canada, 1952, the Emergency Gold Mining Assistance Act, section 6, provides as follows:

> 6. The Minister may, as a condition to the making of any payment to a person under this Act, require that person
>
> (a) to permit any person authorized by the Minister in that behalf, at any reasonable time, to enter upon and examine the mine from which the gold in respect of which the payment is to be made is produced, and all works and premises in connection therewith and to have access to and to examine all books and records of that person relating to the production of gold from the mine and the cost of production thereof during any period relevant for the purposes of this Act,—

I would like the minister to explain to me how he can leave that wording in the act

when spokesmen for the mining organizations say that some kind of underground inspection is necessary.

No one wants to throw harpoons just for the sake of harpooning the mining industry, but we all know the reputation that certain segments of the industry have for its stock promotion practices and other kind of deals. We know the reputation that sort of thing has on the security exchanges in the United States. It seems to me that the minister and his department are far too bland in paying out this immense sum now totalling over $130 million without going underground and examining the workings of the mines, especially in view of the fact that every miner I have talked to, in the main not educated men but skilled in their trade, in a gold mine receiving emergency gold mining assistance has always indicated that he believes from his knowledge, admittedly not technical or scientific, that low grading is going on.

In the face of this kind of argument, which may be a completely blind and stupid accusation, how the minister can go along without bothering to make the kind of inspection necessary is beyond me. We are paying out all this money. These mining promoters are always depicting themselves as great entrepreneurs, and they have done their share in that regard. But despite that, why should we accept these people when they are not making the kind of check and scrutiny they should make by going down underground and looking at their workings to make sure they are mining the mine in a way that they are not taking advantage of the government purse.

We have so many examples today where the government is handing out aid in various directions. There is the industry which I think the hon. member for Villeneuve spoke of and I think he will admit there has been a remarkable consolidation in the last ten years where more and more of these smaller prospects have been drawn into what you might call large corporate structures. I think of the Little Long Lac situation as an example of the way a group of people using one corporate organization have moved out and brought a whole bunch of other mines within their structure.

One of the obvious things one notes about any kind of tax deal today, especially a tax situation where mines in the first three years of their life are exempt from certain taxation imposts, is that we know that by consolidation of a going concern with one which is not going you can get certain tax deterioration allowances. That should make the government suspicious and I think rightly and justly suspicious. Why should we not be suspicious where money is involved, no matter what person or organization is concerned? Yet here there is a situation where a section is put into the act allowing underground inspection and the minister admits it is never carried out; all we have is an examination by a cost accountant. Probably there is no mine in Canada where there is any tomfoolery going on, but I believe we have every right to expect the minister to be suspicious of them all and to take the steps implied by the act to make sure we are not giving money to mines which do not deserve it. I would certainly be interested to know whether the minister would consider receiving any amendments that would cut out this portion of section 6 of the act, if this section is of no use at all.

I was interested in another point which was brought up by some people who correspond with me, namely the position of the shareholders of a number of these companies that take advantage of the Emergency Gold Mining Assistance Act. These companies take advantage of the act and yet never pay dividends; at least, many of them have never paid dividends since they became involved in these corporate consolidations. Again the great example here is Little Long Lac.

A shareholder today theoretically has a form of democratic control in that as a shareholder he can go to a meeting and make his point. But we all know that in effect in most corporate organizations today you have to be a very major shareholder to have any influence in this kind of situation. I think the minister will admit that there is hardly a gold mine today receiving cost statements or benefits from the Emergency Gold Mining Assistance Act where the little shareholder would really have any voice at all. More and more we get the situation where giants such as Hollinger, McIntyre, Rio Tinto and Noranda hold big blocks of shares in many of these smaller mines.

What position does this leave the smaller shareholder in, especially when looking at a company like Little Long Lac which is receiving emergency gold mining assistance through some of its subsidiaries? Some of these mines which have come under Little Long Lac control which once paid dividends are not paying them now despite the fact that they are getting more emergency gold mining assistance.

It seems to me that this example should point out reasons for being suspicious of the gold mining people. I do not say we should be any more suspicious of them than of anyone else who takes something from the public purse; but I certainly feel that if the minister

does not want to carry out or have his officials carry out the purpose of section 6 as set out in the act, and that if all the gold mines need is merely a cost inspection, he should let us know and we should wipe this part of the section out of the act. Why is it in there if a genuine inspection of the mine workings is not necessary? What is the contingency that keeps it on the books? I insist that the minister should be suspicious of everyone who receives funds from the federal treasury and suspicious to the extent of making absolutely sure there is no question of the integrity of the operation producing the figures which the minister's accountant goes to see.

I can certainly see situations arising every year where scandals brew up because it is apparent that the federal government and the provincial government concerned have not taken proper precautions to see that these scandals should not happen. How can the minister give an assurance when from the figures he has given us he is not carrying out what the act allows him to do? He says it is completely unnecessary. I think if the minister has that much faith in the gold mines and says that all you need is this cost inspection, then we should wipe that part of the section out of the act because it really serves no purpose at all.

Mr. Chairman, one point the hon. member for Timmins touched on—and this is the old refrain—was this. What is the long term solution to the Emergency Gold Mining Assistance Act? Many of these mines are going out of production. We see examples in the Red Lake mine field which are quite heartening. I understand from the hon. member who represents that area that only one mine is now receiving assistance.

Mr. Benidickson: All of them at one time.

Mr. Fisher: The hon. member interjects and says that at one time all of them were. But we must give them credit for their technical abilities and the money they have poured in. They have gone deeper and opened up new zones, and Red Lake is much more a going camp. But you still have the situation, especially in a community like Timmins, where the whole life of the region is based on something which has this very shaky basis of emergency gold mine assistance. I certainly feel that we have not only the right but the duty to call for some long term measure. I think that is what the hon. member for Restigouche-Madawaska was suggesting, that we have to have some long term way of treating this gold mining situation.

The hon. member for Villeneuve speculated on the financial effects of the move of the United States dollar to parity with the Canadian dollar. What is to be the situation if this trend towards parity keeps right on going past the even mark, and the Canadian dollar is at a discount to the United States dollar? Obviously certain sections of our industry would be overjoyed, because that would mean a real benefit to the pulp and paper industry, the shipping industry, the gold mining industry and the base metal industry. But what would be the effects in relation to this particular act? After all, this assistance is set up on a certain scale to assist mines in accordance with some kind of ratio or formula. If the United States dollar continues at a discount of three or four cents compared with the Canadian dollar—and this seems feasible in view of the shift which has taken place in the last two weeks—what adjustment does the minister contemplate, if any, in relation to the amount of assistance provided for the gold mines? I think we would be glad to hear from the minister on that score.

If the minister has already given the information, well and good, but as the hon. member for Villeneuve pointed out, the recent move in exchange rates is an asset to the gold mining industry. But if the trend continues, it is surely a case where the government might consider pulling in its horns and spending less money on emergency gold mining assistance. I should like to hear the minister's views on that situation. We must remember in connection with interest rates or anything of that kind that there are shifts and changes, and here we have a portent of a very significant shift which, I think, will be beneficial in the main but is it going to be beneficial to the taxpayers who are putting up this money?

I have in effect asked a number of questions of the minister, and I hope that later on when we have the bill before us we will have an opportunity of hearing from him on these points especially on the point raised in connection with section 6 and the provision which permits inspection of the workings of a mine. I would also like to have an explanation from the minister as to the technical problems involved. After all, as one who has worked underground, I know it is not easy to appreciate all that goes on in a mine unless you have bad news from a whole host of places. The factors are complicated, and I wonder if the minister is in the position of having staff who can carry out inspections of the actual workings of a mine which would confirm the audit he seems prepared to accept.

Mr. Robichaud: Perhaps I might make a few brief remarks before this resolution is passed. We have been asked to approve a resolution to extend the Emergency Gold Mining Assistance Act to cover the years 1961, 1962 and 1963.

I listened a few moments ago to the remarks made by the hon. member for Timmins. He referred to the fact that if this action were not taken by the government, ghost towns would replace the communities where gold mining is at present carried on. The present situation results from the good measures which were taken by the previous administration in order to prevent ghost towns replacing mining communities. I think this action should be set up as an example and as guidance to the present government especially so far as Springhill, Nova Scotia is concerned and particularly with regard to Elliot Lake, of which we have heard so much in this house in recent times.

The hon. member for Restigouche-Madawaska referred to mining developments in northern New Brunswick. We all know that we have in northern New Brunswick one of the largest base metal potentials in Canada. Yet these deposits in the Bathurst area are receiving no attention whatever from the government. The only time we hear about them is when there is a federal or provincial election when there are indications that the mines will be reopened and that everything will be all right. That is what is happening in New Brunswick at the present time. I would urge the government to give our mining area the attention it deserves.

The manager of the Brunswick Mining and Smelting Company in an address at Bathurst a few days ago said the company will succeed in bringing those mines into production, but only after hard struggle and sweat. This is a case where the government should take into consideration the importance for the area of the development of these minerals. Instead of devoting its attention to this northern vision—and I am not against the development of the north—I think we should give first attention to areas which are already inhabited and where we have potentials such as exist in northern New Brunswick.

Mr. Peters: Representing, as I do, one of the largest gold mining areas in Canada, I should be remiss if I did not take some part in the discussion of this particular resolution. I should like to make it very clearly understood that I am in favour of the extension of the provision of the Emergency Gold Mining Assistance Act and that I consider its extension necessary to the very life of the mining industry in my area.

Having said this, I should like to point out some of the things that are wrong with the act and suggest reasons why it does not serve the industry in the way which I think the originators of this act probably had in mind when they put it into effect. The mining industries of Canada, not only the gold mines but others, are always facing one problem or other. We have seen the gold mining industry facing problems that are very similar in their nature to the problems that are facing the mining communities of Elliot Lake, Bancroft and Uranium City. If you travel in the maritime provinces you will find that the problem in Springhill is no different from that which existed in Timmins and Kirkland Lake many years ago. This has been a perennial problem, not only in the gold mining industry but in the silver mining industry in my part of the country. Close to the turn of the century we saw the silver industry boom and bust, then repeat the process. People have waited for years and years for the day when silver would again reach a price at which the mines could be profitably operated. In this industry, without the benefit of any government assistance or government intervention, we have seen communities die and the people leave, and only those who are very hardy or very stubborn stay on. Then the time comes when the price of silver goes up again. The mines are relocated, and the industry goes on.

As a result of watching this process I have been interested in the long term results which have flowed from the provisions of the Emergency Gold Mining Act. I believe, as the hon. member for Restigouche-Madawaska said, that this was originally intended to be only a temporary measure. I am sure that members of parliament at that time were looking for a temporary and immediate solution to a problem with which they were faced in those years. Now, however, I think the time has come when the minister should amend the resolution before us in such a way as to take out the emergency part of the act, because it seeems to me that we are no closer to solving the problems in the gold mining industry today than we were when this act was first put into effect. If the act has accomplished what it was designed to let us make this assistance a permanent thing. The emergency aspect should be removed from the act and it could be made a regular subsidy.

If this were done other considerations would arise. If this method is satisfactory we could supply emergency assistance to other mining communities and make it possible to operate the mines and maintain the municipalities dependent on them. If the method is

satisfactory let us apply it to uranium and have a uranium mining emergency assistance act which would solve problems such as those in Elliot Lake. This is not quite as ridiculous as it sounds—

Some hon. Members: Oh, oh.

Mr. Peters: I have talked to the people at Elliot Lake. They want the mines there to continue operating. We could stockpile uranium. The people of Elliot Lake do not care whether or not the product is sold immediately. I am sure that the hon. member for Gloucester would also urge that this assistance be extended to coal mining and the subventions could be removed.

If the act were extended in this form Canadians would be assured that the money was well spent in accomplishing what it was intended to. When the bill comes before us we should remove the words "emergency assistance".

I do not think this legislation accomplished what it was hoped it would accomplish. Gold mining areas cannot compete with the wages paid in other mining communities. Gold mining towns are reluctant and unable to improve services because of the tax structure. They have been unable to attract secondary industries. When the legislation was enacted I am sure it was intended not only to assist and maintain gold mining communities but to aid in the shift in dependence on the part of the communities from gold mining to secondary industry. It is more important than ever before that we now give close consideration to what the act should accomplish.

In the future demands from mining companies to stay in business will increase. Emergency assistance will be requested by the mining industries as it was by the gold mining industry in the days when it petitioned parliament for assistance. Would it not be reasonable for the uranium industry to ask for a subsidy to carry it over a temporary period during which the world demand for uranium does not equal the available supply? In perhaps 12 or 15 years I am convinced that the demand for uranium will tax the facilities of the industry. If successful, this act could be extended to Elliot Lake and other mining communities.

The other day when the Minister of Trade and Commerce stood up and said—

The Deputy Chairman: Order. I must remind the hon. member that this legislation refers to gold mines only. The Chair has been lenient with the hon. gentleman.

Mr. Peters: I think it would be proper in amending the act to discuss extending it to give assistance to other forms of mining.

[Mr. Peters.]

The Deputy Chairman: Order. The Chair can go only by the rules laid down. Any discussion must be relevant to this bill.

Mr. Smallwood: The hon. gentleman is not talking about divorces now.

Mr. Peters: A few years ago the Ontario legislature set up a committee under the chairmanship of Mr. Knox a professor at Queen's University to investigate the gold mining industry to which committee many Ontario organizations presented briefs. The united steelworkers of America representing many gold mining employees pointed out that there are alternatives to E.M.G.A. Some of these proposals were published at the time of the publication of the committee's report. One alternative mentioned was that of increasing the price of gold. That was not possible at that time but the alternative becomes increasingly possible through the change in the value of the Canadian dollar and its relationship to the United States dollar. The union also recommended that the government press on the international market for an increase in the price of gold through the international monetary fund. The present Minister of Finance expressed himself as being in favour of this proposal before assuming his portfolio but has not mentioned the matter since. The union also pointed out that there were other ways of subsidizing the industry through giving consideration to a reduction in the taxes payable to the municipalities. The second one which is evident throughout the whole mining industry is the wages paid to the workers in the industry.

As I said at the beginning, Mr. Chairman, we are interested in the maintenance and continuation of this subsidy. I agree with the hon. member for Timmins that other hon. members in the house have continually given the views of the mining industry. There is nothing wrong with that. I worked in the industry for 15 years and negotiated and bargained with the industry. From my experience with the industry's point of view, conditions that would satisfy the industry are not necessarily in the best interests of either the community or of the workers in the industry. Not always are the two interests analogous.

It seems to me that when we first set up this emergency gold mining assistance what we had in mind was that we were going to solve the problems of the community and of those people in the community who were dependent on mining the natural resources of the country. This is what we will have in mind when we attempt to solve the problems of the uranium mines. This is a case where we have let companies come

into an area and develop the natural resources of that area, but we have exercised very little control over them. In the gold mining industry we have never insisted that they put away a small amount of depreciation for their workers in their later life. We have never given any indication that we want them to take part of the contribution we make in the form of emergency gold mine assistance and place it into funds for the retirement of workers. We have not made payments of emergency gold mining assistance contingent on the development of secondary industries and the financing of those industries in the gold mining communites. It is with this thought in mind that I draw the minister's attention to this part of the program. It would be advantageous to eliminate the word "emergency" and just call the legislation "gold mining assistance act". The subsidy would be paid on a continuous basis and we should see that secondary industry is brought into the mining communities.

I agree entirely with the hon. member for Timmins that the town of Timmins and its people are no farther along the road to developing secondary industries to take over when the gold mining industry is finished than it was years ago. Gold mining would have been finished and those communities would have been ghost towns now if it had not been for the Emergency Gold Mining Assistance Act. The day the mines are finished the camp is going to be in exactly the same position that it was in when the emergency gold mining assistance was brought into being. The communities are going to be left dependent on an industry which no longer exists. It would not exist today if it were not for this emergency assistance because the price of the product is not sufficient to carry the industry. It will be non-existant in the future because there will be no industry left. It seems to me one of our prime concerns should be to develop other industries and to look toward the day when the industry is no longer able to carry on and to provide for the community because the mines will have been worked out.

The point raised by the hon. member for Port Arthur is an important one. I am sympathetic with the minister. He inherited the department of mines from former ministers whom I did not consider to be competent. The problems facing him are not of his making. When we were discussing the Department of Mines and Technical Surveys last year in relation to emergency gold subsidies we ran into a great deal of trouble with respect to the wording of the various departments. When I was asking questions of the mines division which I thought had to do with mines and therefore would be responsible for emergency gold mining assistance I found it was not the mines department that handled the matter, it was the mineral resources branch, or something of that nature. Inspectors do not come under the mines branch; they are borrowed from northern affairs or some other department. The minister shakes his head. I never found out whether there was one inspector available to do the checking if it was necessary.

The minister will recall that I sent him instances of two or three stopes in a particular mine which I had been informed had been closed up and had been closed up for some time. In those stopes gold was running at several thousand dollars a ton, but never more than a few tons had been removed from them, and then only to maintain a certain grade from the mine. I will not argue with those who say this is good housekeeping. Maybe it is; maybe that is the way you should operate a mine, but I think those conditions exist to a great extent. If there were a large number of those particular stopes I am sure we would want to have inspectors there to see that the provisions of the Emergency Gold Mining Assistance Act were complied with and that the figures presented to the auditors of the Department of Finance and the treasury authorities were such as to indicate the actual physical conditions available underground which could be ascertained from the books.

I have worked in enough different types of stopes to know that you cannot go down a mine and take a look at the face and estimate how the ore will run. This can only be done by a physical assay. When the mines themselves find that the amount of gold being extracted from ore is not in keeping with what their underground reports indicate they recheck and find out where the mistakes are and that is the only way it can be done. It can only be done by an examination of the reserves and the value of those reserves.

I am not prepared to debate which mines are high grading and which mines are low grading; I think there are mines doing both and I think it can be successfully argued by the mines that this may be good housekeeping and it may be the best way of operating the mines. They may be able to tell me and others, as the *Northern Miner* would indicate, that this is in the best interests of the people of Canada; but I suggest, Mr. Chairman, if we are to pay subsidies to them it may be in the best interests of the people who own and operate the particular mine but it may not be in the best interests of the mine itself.

I agree with the hon. member for Port Arthur that if this section of the act is not going to be complied with, if it is not going to be given any consideration, then we should remove it and take away the threat of an inspection at some time because, to the best of my knowledge—the minister can correct me if I am wrong—there are no inspectors in the Department of Mines and Technical Surveys who have ever done any inspection underground; they have never done any sampling or made any tests in connection with emergency gold mining assistance or checked any particular mine in this respect.

There would not seem to be much point in bringing particular cases to the attention of the department if they have nobody to check on them. I have many friends who have worked many years in some of those particular mines who know the stopes. When you have worked in one particular stope and have worked there for two or three years every working day of those years it is not too difficult to recall the value at which the stope was running and the reasons why it was closed down. If a stope runs at $1,000 or $2,000 per ton, then I am quite sure a miner will remember that, just as he would remember if that stope were only running at $5 of $6 a ton and he was in danger of being moved out of that stope every time the company took a sample.

Those are the considerations that I believe must be kept in mind. I am going to trespass a little on your ruling, Mr. Chairman, but it seems to me we are going to be looking toward this Emergency Gold Mining Assistance Act more and more in the next few months or the next few years to ascertain whether or not it has done the job for the communities and for the people it was supposed to do. We shall be looking at what has been accomplished under this act in connection with other minerals as well as gold. If we find that the act has served the needs of the people it was meant to serve, then I think it has done so very cheaply.

However, Mr. Chairman, I believe that when we look at the basic problems this act was supposed to solve we will find it has done nothing to correct them. These basic problems will eventually have to be faced. One of these problems will be turning those communities that are dependent upon a primary industry into communities which have secondary industries. I would strongly suggest that we give consideration to amending this act to permit part of the money to be paid to subsidize other industries to go into the gold mining communities. Think what it would mean if we could give secondary industries the opportunity to come in and instead of paying $12 million in the form of gold mining assistance we could pay that amount in subsidies for secondary industries.

I suggest that these industries would not even have to consider the effect of such items as three years free taxes, communities already established, an existing labour force and municipal considerations such as sewers, water and other things. If we gave this $12 million and divided it up amongst the industries it would go a long way and you would see industries leaving Toronto overnight. This might be a much better long term solution to the problem of the mining industry than the Emergency Gold Mining Assistance Act has been. However, while we are giving this form of assistance I should like to see the government set up a new branch that would engage in planning for our natural resources so that we could get a much better distribution of our money and a much better distribution of industry. In this way we would not have the problems we have to face with this particular act, and our problems might be solved in a much better manner.

In closing, Mr. Chairman, I might say that the people of northern Ontario are completely dependent upon this emergency gold mining assistance for their livelihood. They need it. They would like it increased. They would like the act made a permanent feature of government policy so that they could make plans. I would suggest that many of the mines, particularly the small ones such as the one in which I worked in Timmins for many years, do give consideration to their employees. The small mine in which I worked was concerned with the conservation of the mine and worked very hard in an effort to get as much life out of that mine as it was possible to do. This has not been true of some of the other mines which I have had the opportunity of examining over the years. Many of them were more interested in piling up dividends than they were in conserving the mineral and extending the life of the mine. They were much more interested in buying steel companies and other things, and in this way they did not serve the needs of the communities in the way this act provided. They served the needs of the few, as the hon. member for Port Arthur indicated, by gobbling up these little mines that were not quite able to look after themselves.

I hope that the minister will give some consideration to these problems. They are very real problems in northern Ontario. If he did not believe that this act was serving the needs of the communities and the people dependent on this industry, then I am quite sure he would not have asked for the extension of this act. However, he has seen fit to

ask for this extension and I hope he will give some consideration to making it more successful in extending the life of our communities.

Mr. Regier: Mr. Chairman, in the limited number of minutes at my disposal, I am going to support this resolution while, at the same time, expressing some very grave reservations about this act. I have to support the resolution because I realize there would be an emergency if this assistance were to be discontinued. I think there is an emergency situation, even after 12 years. However, when we take the taxpayers' money and use it to subsidize an enterprise we must, I feel, give very serious consideration to the effects of what we are doing. If we pay a subsidy to the Canadian Broadcasting Corporation or a subsidy for the maintenance of railway transportation in Canada or the post office, that is one matter. We have to pay these subsidies because those are institutions serving the public interest as a whole. Those are institutions which, apparently, are unable to survive otherwise and we need them.

However, when we pay a subsidy for the mining of gold or coal or for any other industrial endeavour, then I think we have to pay very close attention to the effects of what we are doing. Only the other day we heard the Minister of Agriculture admit, in effect, that through the government's purchases of pork bellies Canada Packers was able to clean up a profit of over $2 million.

Mr. Harkness: Mr. Chairman, on a point of order; I never admitted or said any such thing. The hon. member is putting words in my mouth and talking about something I did not even mention.

Mr. Regier: On the point of order, may I say that the minister informed us that Canada Packers had purchased over seven million pounds of pork, and they had purchased it for—

The Chairman: Order; I would ask hon. members to come back to the resolution before the committee.

Mr. Regier: This was, in my opinion, very relevant. I was attempting to underline the fact that we have to be very careful to make sure we know what we are doing when we pay a subsidy to private industry in Canada. I was pointing out what had happened in the case of agriculture, and I am afraid that similar things have happened in the case of the subsidy under the Emergency Gold Mining Assistance Act

I hope the minister can, when he replies, bring us up to date on the negotiations that we were given to understand by the Minister of Finance were under way. Some representations were being made to the international authorities to see whether or not we could get an increase in the price of gold. If we were able to obtain that increase it would eliminate the need for this legislation. I would hope that we would be able to receive a report on what headway is being made in this regard. I should like also to have the minister report on how far the reduction in the premium on the Canadian dollar is going to go toward relieving us of the necessity of subsidizing the gold mining industry. As the minister knows, there has recently been a great reduction on the premium on the Canadian dollar. This reduction ought at least to make it a little bit easier on the public purse in keeping the gold mining industry going.

I express another reservation on the operation of this act in that, as other hon. members have rightly pointed out, it has done little to diversify the economy of these communities. Up to now we have spent or we are nearing the stage where we will have spent some $10,000 for every individual worker affected. I feel that is an extremely high price to pay by the public when the cost of investment per worker in establishing an alternative industry runs only to between $10,000 and $20,000 per employee. I wonder how much headway we really have made and whether we would not have been wiser in the first instance, some 12 years ago, to have arrived at the decision that if public funds will be used, they will be used to diversify the economy in these mining communities so that they would not be completely and solely dependent on the mining of gold. In our opinion, over a long period now we have been assisting the gold mining industry—and rightly so—but we have failed completely to diversify the economy of these communities.

While I agree that we are obliged to continue with this type of assistance, I believe that accompanying it real efforts ought to be made to establish other industries in these communities. I have grave reservations that, in the implementation of this legislation, we have adequately protected the public interest of Canada. It is the responsibility of the government of the day, when it is spending the taxpayers' money, not only to meet the emergency situation but also to make plans whereby the emergency is finally going to disappear and whereby the communities' interests and the public's long term interests will be better served. All this legislation amounts to is a continuation of something that hitherto has not provided a solution. It

has been emergency legislation and yet it has extended over a 12-year period.

With these observations I should like to repeat that this kind of subsidy has no comparison with a subsidy to the C.B.C., the railways, the post office or some other national need. This is a subsidy that ought to be granted with great reservations. We should like to hear a progress report from the Minister of Finance or the Minister of Mines and Technical Surveys as to what headway is being made toward obtaining a higher price per ounce for gold. The Minister of Finance is now here in his place. I am extremely happy to see him in his seat. I hope I did not misrepresent him when I said earlier that he has on some occasions in this chamber given us, or at least seemed to give us a slight hint that he was negotiating to obtain a higher price for Canadian gold. We should very much like to have a report on that matter as well as a report on what influence the reduction in the premium on the Canadian dollar has and also what plans the government has in mind for the establishment of alternative industries in the gold mining communities so that the public interest can be served as well as the emergency needs of these communities.

Mr. Benidickson: Is the Minister of Finance going to report, as requested, perhaps upon the three conferences he has attended of the international monetary fund and on any approaches he has made with respect to the possibility of a change in the price of gold?

Mr. Fleming (Eglinton): No.

Mr. Benidickson: Is the minister's answer no?

Mr. Fleming (Eglinton): Yes.

Mr. Comtois: To start with, Mr. Chairman, I wish to express my gratitude to the hon. member for Villeneuve. He has given this committee practical suggestions which are the fruit of his experience in the mining industry. I can assure him that his suggestions will be carefully studied and considered.

I would not say the same thing about what the hon. member for Port Arthur has said. He has shown this afternoon a good deal of ignorance—if that word "ignorance" is permissible in this committee; perhaps lack of knowledge might be a better term—in assuming that my department does not take the necessary steps to look after the subsidies that must be disbursed in the various gold mining communities. He stated very clearly that we did not take the trouble to make an inspection or an underground inspection. This is absolutely untrue. When the hon. member makes that statement he is absolutely wrong; and that is what he said this afternoon. I expected such a question to arise and I am prepared with the answer.

The matter of inspection procedures under which our inspection engineers carry out their duties has been raised again by the hon. member for Port Arthur. I would refer the hon. member to a statement which I made in this house on July 17, 1959 and which is reported on page 6213 of the House of Commons debates.

An inspection engineer annually visits each mine or operation receiving assistance for the purpose of ascertaining the exploration and development expenditures which will be classified expenditures for inclusion in allowable costs on a deferred basis, and for reporting upon the operations conducted at the mine in so far as they affect the payment of assistance, including underground inspections where such inspections are necessary. That is clear and I hope the hon. member for Port Arthur will understand it for good. From the information so obtained an analysis of the application from each mine is made for the purpose of assisting the audit services division, office of the comptroller of the treasury, in correlating items of cost and mining plans.

I would add that inspections required for administration of the act are conducted by competent mining engineers with a number of years of experience in the mining industry and who are employed in the mineral resources division of my department. At the same time I wish to remind the hon. member for Timiskaming that we have very good and experienced engineers in the department. They are in the mineral resources division which is part of my department as well as in the mines branch.

There is no difference between them. It does not matter if they are under the chief of the mines branch or under the minerals resources division; it is the same thing after all. We have experienced men who go underground and make the necessary inspections and then make their reports. They are well qualified to do the job and they do it at any time. I remember that last year I suggested the hon. member for Timiskaming give me specific examples of something which he mentioned might be happening in some mines but I am still waiting for details.

Mr. Peters: I sent them down.

Mr. Comtois: I am sorry, Mr. Chairman; the hon. member says he gave me some but I never received them. Any time we have a complaint or a specific example drawn to our attention where specific companies

are named we are ready to have our inspectors, very experienced men, go anywhere at any time. That is very clear.

The hon. member for Port Arthur spoke about the United States dollar. Canadian gold producers have received an average of less than $35 per fine ounce for gold sold to the mint in each of the last eight years and have received an average of less than $34 per ounce in each of the last three years. In 1959 of the 40 lode gold mines receiving assistance 29 had operating costs greater than $35 per ounce and 30 mines had operating costs greater than $34 per ounce of gold produced.

The decrease in the premium on the Canadian dollar in United States funds in recent weeks has aided the gold mining industry in common with Canadian exporters. The mint buying price had increased to $34.38 per ounce for the week of May 16 to 20, 1960. The price of gold has not yet reached a par value of $35 in Canadian funds. Any problems which may result from a reduction of the value of the Canadian dollar in terms of United States funds will be taken up at the appropriate time.

The hon. member for Port Arthur, who I see is now back in the committee, mentioned the matter of low grading. This is not the first time the matter has been brought up in the house. I see from *Hansard* that every year a member of the C.C.F. party speaks about the low grading question. I will give him my answer again and will be as patient as he is in putting his question.

The subject of low grading has been raised on previous occasions and it would appear that it is not yet appreciated that the practice is a highly improbable one for practical reasons. Perhaps the most important of these reasons is that a deliberate reduction in the grade of ore milled by a gold mine operator for the purpose of increasing the amount of assistance payable to him is a highly unprofitable move. The reduced amount of gold produced in such a case results in a greater loss of revenue from the sale of gold than is represented by the increase in the amount of assistance payable. This view of the matter is substantiated by the fact that there were 13 gold mines in Canada in 1959 which were not eligible for assistance payments under the Emergency Gold Mining Assistance Act for the sole reason that their cost of production was less than $26.50 per ounce. If low grading is as profitable as the hon. member appears to think, it would be logical for these mines to reduce the grade of ore milled to the point where their costs would be greater than $26.50 per ounce and so become eligible for assistance. The fact that they have not done so indicates that economic factors stronger than the influence of payments of assistance have governed the decision as to the grade of ore to be milled.

May I state again that my department and the Department of Finance are vigilant in ensuring that moneys are paid only after a thorough investigation of the cost of operation of every gold mining company which is eligible for assistance. Effective checks on the operation of mining practices followed by a mine are obtained from the examination and correlation of mine plans from the engineering department and the costs applicable to the various categories of mining operations from the accounting department. Again I declare that our inspectors, our engineers, our qualified engineers, go underground as often as it is necessary.

Mr. Fisher: I wonder if the minister would permit a question. Did he take a look at the return which was given to me in answer to some questions I asked a little over a year ago, which return indicated that these inspectors were at some of these mines a total of half a day? How can you carry out any kind of inspection that the minister is talking about on such brief visits? This is what made me suspicious, the very information which the minister tabled which indicated that these inspectors were not engineering or mine inspectors at all but merely accountants who were checking the records. That was the only conclusion I could draw from the return which was filed. I am sorry it is not here, but I insist that my interpretation was a fair and correct one from the information the minister gave. That information indicated that inspectors do not visit the workings of the mine and that all you can possibly have from the kind of inspections indicated in the return is nothing more than a mere accountancy procedure.

Mr. Comtois: Again I state that we make all the inspections, inspections of the books as well as underground inspections when necessary. As far as—

Mr. Fisher: Mr. Chairman—

Mr. Comtois: I am sorry, but I have the floor and I wish to finish what I have to say.

Reference has been made to section 6 of the act. I must remind the hon. member that section 6 of the act is permissive. It does not create an obligation to inspect underground unless the situation warrants it. Our inspection engineers do go underground and visit the mills when there is a need to do so, but it would be impractical, costly and unwarranted to inspect all mines underground and mills. That means that when we have to do it and we have a report that something

is not adequate or we have some doubt, then we have the inspectors and the engineers go underground.

Mr. Fisher: I might point out to the minister that the statement I read by Mr. Wansbrough made the point—I understand the minister said I did not understand it and I was ignorant about it—that it was the provinces which looked after the underground aspects. The federal government, as Mr. Wansbrough said, was merely a cost accountancy check, or something to that effect.

There is something haywire here if the return which the minister's own department files indicates that the inspectors have not the time actually to visit the underground workings of all the mines in Ontario drawing emergency gold mining assistance for a period of two years. Surely if that is the case this part of section 6, as I pointed out to him, must be totally unnecessary unless the minister can assure me that this particular two-year period was most unusual and that really this right of the minister's department to go down and actually check the mine needs to be retained for supporting purposes.

But if we go by Mr. Wansbrough—if we go by what the minister's registers indicate —there is no need at all for this section. It seems to me that the minister is changing his ground as compared with last year. This year he is telling us that inspections are carried out by engineers and that on occasions they do go underground. All I can tell him is—

Mr. Comtois: If Mr. Wansbrough has stated that we do not make any underground inspections, Mr. Wansbrough is wrong.

Mr. Benidickson: The minister has said, I think, that these inspections were carried out from time to time as needed. Can the minister indicate what staff he has available for the whole of Canada in this respect?

Mr. Comtois: I think we have five or six engineers in the mineral resources division available to do this work, and we can have more if necessary.

Mr. Peters: In checking this year's estimates under the mineral resources division I do not see any engineers listed, nor do I see any inspectors listed. I think this is the situation I found last year, also. If I may, I should like to read what the minister said on July 17, 1959 as reported on page 6213 of *Hansard*:

> In answer to a question by the hon. member from Port Arthur, it was stated that the drawings and plans of the underground workings of every gold mine were not checked with the actual workings. I should like to point out that a limited underground visit would produce only superficial checks on the completeness of the mine plans. Such an inspection would be of no benefit unless a check survey of the underground workings were made and the grades and quantities of ore mined from the various working places were substantiated. Such a procedure would duplicate the work of the engineering staff at each mine, and would require a duplication of their number as inspectors. It is for this reason that direct examination of underground workings is undertaken only where unusual conditions exist. Far more effective checks on the operation and mining practices followed by a mine are obtained by the examination and correlation of mine plans from the engineering department, and the costs applicable to the various categories of mining operations from the accounting department.

Then the minister went on to make a statement similar to that which he made today to the effect that the mines themselves had an interest in seeing that costs did not go up. Later on, on the same page, the minister had this to say:

> I would like to assure the hon. member that the inspection and examination of mine accounts and plans submitted by companies applying for assistance payments are thorough, and that payments are made only in conformity with the provisions and intent of the act.
>
> The hon. member for Timiskaming raised the same point, and I think this answers both hon. members. But if it were reported that some special investigation was desirable, we would be happy to do anything we could to find out if there is a nigger in the woodpile, as one might say.

On questioning the minister with regard to the department of mines, which I still maintain should handle the mines, I drew from the hon. gentleman the information that there were no inspections at all—that inspections could be made provided staff was borrowed from one department or another. Now the minister says the place from which staff are borrowed is the mineral resources division, but reading the estimates of that department for this year I find, as I say, no provision made for either engineers or inspectors.

Mr. Benidickson: What page is that on? Where are the details?

Mr. Peters: Page 263. I can find no engineers and no inspectors. The minister, as reported on page 6220 of *Hansard* of last year for July 17 made reference to this matter when we were discussing item 202 of the estimates, the administration, operation and maintenance of the mines branch. If I may, I will read the appropriate passage:

> Mr. Peters: I should like to ask the minister how many officials he has capable of doing factual inspections in mines.
>
> Mr. Comtois: If it is proved that we have factual inspections to be made, we have engineers to do the job.
>
> Mr. Peters: Are they listed under this vote in the details at page 275?
>
> Mr. Comtois: Yes, Mr. Chairman. If we do that work we have to take them out of some other field, but the answer is yes.
>
> Mr. Peters: I should think it would take a practical as well as a competent engineer to do the

underground surveys that are necessary if you were checking a particular place. I am interested to know in what part of the mines division you have these mine inspectors. The minister has said that some inspection has been done in the past. Which of these officials have done that inspection?

Mr. Comtois: Up to now when some inspection was to be made we had engineers from the mineral resources division. We have another group of engineers in the mines branch. We can have some available for any purpose for which we need them.

Mr. Peters: Is the minister saying that under this mines branch there are no inspectors at the present time?

Mr. Comtois: No, I did not mean that.

Mr. Peters: Would the minister indicate to me what section they are under, or where they appear on the list?

Mr. Comtois: Maybe I misunderstood the question. We have no engineers or inspectors for that purpose at the mines branch at the present time. However, if they were needed in the mines branch we could divert some inspectors from the mineral resources branch to the mines branch in order to make some reports or some inspections.

Mr. Peters: Is the minister saying that in the years we have had emergency gold mining assistance we have never had attached to this branch any inspectors for checking? If not, maybe he would explain to me where the auditors under this division come? As I understood it, there were two cnecks. One was an auditor's check that was done in the offices of the mining companies, using the books and data available in the offices. Then if there was any question with regard to this check they did the actual check or the visual resurvey.

The Chairman: I am not deciding that the hon. member is reading improperly, but I have an idea that these questions might be more efficiently discussed when the estimates of the Department of Mines and Technical Surveys come before us for consideration.

Mr. Peters: I agree. The only reason I raise this question now is because the minister said we did not understand the situation and that we were being dishonest in raising this matter. He even implied that we were very ignorant. I do not intend to argue about that. Perhaps we are. Possibly, when discussing this question last year, I was looking at the wrong department, but I am now looking at the mineral resources division and, as I say, I see no provision for either inspectors or engineers.

Mr. Comtois: On a point of order, may I call the attention of the hon. member to the fact that in our estimates of this year, as well as those of last year our inspectors are classified as scientific officers. The hon. member will find the answers to his questions in this years estimates on pages 262 and 263 of the blue book for 1960-61.

Mr. Peters: Could I ask the minister in which one of these categories—there are 21 people involved—these people fall? There are five or six—

Mr. Comtois: Those details might be discussed at the time my estimates are under consideration.

Mr. Martin (Timmins): Is it not a fact that the statute cannot be discussed under the details of the estimates and that anything pertaining to the present amendment must be dealt with now?

The Chairman: I agree, but the administration of the act, if the amendment is adopted, will be a proper subject of discussion under the estimates. At this time, strictly speaking, the only relevant matter would be whether we should continue the application of this act for three years. The problem of administration does not strictly come into the discussion.

Mr. Comtois: Mr. Chairman, with your permission may I add that when we deal with my estimates under the mineral resources division this matter can be discussed and explained. We cannot discuss the statute but we can discuss the amount provided for the administration.

Mr. Benidickson: On the point of order, Mr. Chairman, surely it would be relevant when we are asked to approve in principle that this act be extended to pursue the question of whether or not an obligation is being fulfilled on the part of the companies with respect to the safety of the employees if these vast sums of money are to continue to be spent.

The Chairman: I agree. I would say that the detailed examination of the personnel and so forth could be more efficiently dealt with when the estimates come before the committee. I am not asking the hon. member not to pursue it if he wants to do so but I am merely suggesting it would be more efficiently done when the estimates come before us.

Mr. Fisher: The minister will remember that last year I sent him a complaint from a man who had worked in Ontario gold mines supporting the suspicions I had about the operations of these mines and asked the minister for a comment. I received in reply a three-page letter which I thought answered rather well the points brought up by this man. I sent the letter on to him and in reply he stated that one paragraph of the minister's letter indicated a degree of self-satisfaction that was not fitting for a minister of the crown. I will read this paragraph from the minister's letter, if I may. The letter is dated August 4, 1959 and the pertinent paragraph reads:

With respect to the administration of the Emergency Gold Mining Assistance Act, I have satisfied myself that the procedures under which our inspection engineers carry out their duties provide full

information on the operation of mines necessary to ensure that the payment of assistance is in accordance with the provisions of the act.

The man wrote back saying he still thinks it is possible, in the example he gave, for mines to get away with the sort of thing about which I was talking. I wish to make it clear that in my remarks I have never intimated that this was so but the suspicion is there. For this reason I wonder if the minister would consider allowing a committee—perhaps the committee on mines, forests and waters—to have the inspectors who carry out that task come before it and straighten out this matter so that we could be completely satisfied in our minds that the inspection is adequate and that no possibilities of skulduggery exist. I think that would be the simplest way out of it and if we were satisfied it would probably end our discussion of the matter.

Mr. Martin (Timmins): Would the minister give an answer to this question. Everyone who has spoken has agreed that the act is both good and necessary but there are always those who seek to abuse these things and that is what is bothering me, other hon. members of the committee and many engaged in the gold mining industry. Without an opportunity to examine the inspectors I believe the fear in the minds of the people will increase.

Is the minister giving any consideration to the suggestion I made earlier today with regard to establishing a committee comprising federal, provincial and municipal representatives, representatives of the mining authorities and union representatives of the employees in order to look into the matter and allay the fears expressed today.

Mr. Comtois: Mr. Chairman, I have no objection at all to considering this proposal.

Resolution reported and concurred in.

Mr. Comtois thereupon moved for leave to introduce Bill No. C-64, to amend the Emergency Gold Mining Assistance Act.

Motion agreed to and bill read the first time.

FEEDS ACT

PROVISION FOR CONTROL AND REGULATION OF SALE OF FEEDS

Hon. D. S. Harkness (Minister of Agriculture) moved the second reading of Bill No. S-27, an act to control and regulate the sale of feeds.

He said: Mr. Speaker, the purpose of this bill is to control and regulate the sale of feeds for livestock. It is to be known as the feeds act and, when proclaimed, will replace the present Feeding Stuffs Act.

[Mr. Fisher.]

The first legislation dealing with livestock feeds was enacted in 1909. It was then known as the commercial feeding stuffs act. That act was administered by the department of inland revenue and later by the department of health. In 1920 that act was replaced by the present Feeding Stuffs Act and administration was placed in the Department of Agriculture. The basic provisions of the legislation are to require livestock feeds to be registered, to be labelled to show their ingredients and to meet certain standards of quality and safety.

The last major revision of the Feeding Stuffs Act was in 1937. Since then there have been numerous advances in animal nutrition, in feed manufacturing and distribution and in methods of feed testing which necessitate amending the legislation to keep it in conformity with present practices.

Many of the detailed provisions which now require changing are contained in the act itself. It was felt desirable, in order to permit more ready adjustment of the legislation to changing technical conditions, to revise the act so as to permit many of the detailed requirements with respect to registration, standards, packaging, labelling and analysis to be established by regulation.

The bill now before parliament in no way changes the basic provisions of the present act. It does, however, delete from the act proper many of the detailed technical requirements and provides for them to be established by regulations of the governor in council. In this respect, as hon. members will recall, it follows the pattern used in revising, in recent years, several other statutes administered by the Department of Agriculture.

The house may be interested in a few of the technical changes which have taken place over recent years in the preparation of livestock feeds which necessitate the revision of this statute.

One of the most important has been the introduction into feeds of therapeutic agents for the treatment of sick animals. The authority of the present act is inadequate to insure that in all instances the use of such therapeutic agents is permitted only when there is adequate evidence that they are efficacious, that they leave no harmful residues and that suitable directions for use, and cautions, are carried on the label. Under the bill revising the act there is provision for regulations which will make it possible to keep the requirements with respect to such matters adjusted to changing conditions and practices.

There have been important developments in the use of minerals in animal nutrition

which have led to the incorporation of additional minerals in livestock feeds. The Feeding Stuffs Act contains requirements for standards and guarantees for some mineral feeds but several revisions are now necessary. Under the provisions of the bill there is authority to prescribe these requirements by regulation.

The act now requires all livestock feeds to be registered annually by the department. Twenty years ago there were only about 3,000 livestock feeds registered. As an illustration of the growth and increasing complexity of livestock feeds, the number this year will be over 10,000. This necessitates the streamlining and simplification of registration procedures. The bill will permit these to be established by regulation.

These remarks are probably adequate to explain to the house the purpose of the bill and I will, of course, be pleased to elaborate on the detailed provisions when we get into committee.

Mr. Forgie: Is it the intention of the minister to refer this bill to the committee on agriculture or to the committee of the whole house?

Mr. Harkness: To the committee of the whole house.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, this bill was introduced in the other place and was carefully examined, as we all know, by a committee of that house, their committee on natural resources. I, of course, do not feel qualified to discuss a technical matter of this kind. I am satisfied with the review that was made there. The only thing I should like to ask the minister is this. As he said, the number of registered feeds is very impressive and in consequence, as a result of the previous discussion, I wonder whether the minister would take the house into his confidence and indicate what kind of correspondence he may have had and the advocacy in the correspondence as the result of the public at large becoming familiar with his intention to supplant the Feeding Stuffs Act of 1937 with this new legislation.

It is indeed amazing to think that under the present act, which will be supplanted, registrations are of the number of 752 in regard to cattle feeds; 2,179 for hogs; 858 for turkeys, and so on. All these add up, I suppose, to the figure which the minister has indicated, namely some 10,000 separate registrations. This involves a great number of people in business and a great number who are feeding this stuff and are attracted to it. In closing the debate will the minister indicate whether from across the country he has had any great criticism of the proposals that are contained in this bill?

Mr. Arnold Peters (Timiskaming): I am very pleased to see that the act has been revised and to know that the department is interested in regulating and controlling the new types of feeds that are being produced and keeping a close scrutiny on them. There is a growing need for this because of the additives used in the feeds. We must ascertain whether any of them is carrying any of the antibiotics, or whatever they may have added to them. It becomes more and more important for the department to keep a close regulatory control over this type of product.

Mr. Deputy Speaker: If the minister speaks now he will close the debate.

Hon. D. S. Harkness (Minister of Agriculture): In response to the query of the hon. member for Kenora-Rainy River (Mr. Benidickson) I can only reply by saying that as far as I can recollect we have had practically no direct representations by feed merchants.

Mr. Benidickson: Although there are 800 of them?

Mr. Harkness: Yes. I have had a certain number of letters from individuals not in the feed business, as far as I can make out, ordinary consumers, I would say, who are somewhat worried about the various therapeutic agents being put into feeds and who were impressing upon us the necessity of close supervision of what was put into those feeds.

However, the department and the officials of the department have been in close consultation with representatives of feed companies and people concerned with drafting this bill. As far as I am aware there is no opposition on the part of the people concerned to whom this legislation will apply most directly, namely the feed manufacturers and sellers. Certainly, I have had no evidence as far as they are concerned that there is any opposition at all and in fact I think in most cases at least they are anxious to have a revision which will bring the legislation more in conformity, as I said earlier, with the present situation.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Flynn in the chair.

Clauses 1 and 2 agreed to.

On clause 3—*Sale and importation of feeds.*

Mr. Benidickson: The minister will be aware that a question was raised and not answered in the other house as to any conflict of jurisdiction of this federal parliament having to do with regulations respecting selling within

a province. Can the minister indicate whether or not the federal rights would be restricted to interprovincial and international selling of feeds when it is said that:

> No person shall sell or import into Canada any feed unless the feed
> (a) has been registered as prescribed;
> (b) conforms to prescribed standards; and
> (c) is packaged and labelled as prescribed.

Mr. Harkness: No. I think that under this act, because of the necessity for the protection of the general public, particularly in view of the addition to foods at the present time of agents of different sorts, the federal government has sufficient authority to put into effect and to carry out provisions such as these. Also, as the hon. member is aware, the federal government is responsible for standards and under that general provision has been responsible for standards. Subparagraph (b) refers to prescribed standards. The federal government lays down the standards, such as No. 1 wheat, No. 2 wheat, No. 3 C.W. oats, and so on. As a result, there is no constitutional difficulty as far as this act is concerned.

Clause agreed to.

Clauses 4 and 5 agreed to.

On clause 6—*Inspectors and analysts.*

Mr. Benidickson: Under this clause the minister is taking some discretionary powers. Will he indicate, under the present act, how many full-time employees there are? What has the minister's experience been as to the necessity of employing persons who would not be full-time and would, therefore, perhaps not normally be employed under civil service procedures?

Mr. Harkness: Mr. Chairman, I have not got the figures as to the number of full-time employees in my head. One of the officials of the department will be here in a minute and he could provide information as to the actual situation. Of course, most of the work under this act, or under the act as it is at the present time and the same situation will prevail when the new act is passed, is carried out by permanent employees of the plant products division, who also carry out many other duties.

Mr. Benidickson: Does the minister contemplate much utilization of his right to overlook the Civil Service Act and designate certain persons as qualified for the purpose of functioning under this act?

Mr. Harkness: I am informed that the only purpose of this provision is to enable one of the permanent employees of the department, say a dairy inspector who is working in a dairy plant, to be nominated as an inspector for the purpose of this act.

Mr. Forgie: If this analyst is designated as a qualified person by the minister, he still must be appointed by the civil service commission, is that correct?

Mr. Harkness: No, these other employees are civil servants. As I say, the purpose of this part is so that someone who is not employed all the time on this particular job, someone who may be a dairy products inspector, as I said, could also be designated as an inspector for the purpose of this act.

Clause agreed to.

Clauses 7 to 9 inclusive agreed to.

On clause 10—*Offence.*

Mr. Benidickson: Would the minister just indicate to the committee why he feels that the penalties must be much more stringent than under the existing act. I take it that under sections 11, 12 and 13, in lieu of paying a fine, the alternative penalty is imprisonment respectively for two months, two months and one month, while here the imprisonment is up to six months.

Mr. Harkness: This is merely a matter of bringing the levels of punishment provided up to the levels for summary conviction offences under the Criminal Code.

Clause agreed to.

Clauses 11 to 14 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall this bill be read a third time? Now?

Mr. Pickersgill: By leave.

Mr. Harkness moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Would the house leader just confirm the business for tomorrow?

Mr. Churchill: Yes. For tomorrow, as I outlined last night, we will take the estimates of the Department of Agriculture, followed by post office, mines and technical surveys and transport and that order will hold for Friday as well.

I might say, although normally I would announce on Thursday night the business for

the following week and will do so tomorrow, I should like to draw the attention of the house to one factor. There is on the order paper Bill No. S-28 for second reading, an act respecting a certain trade agreement between Canada and Australia. At the appropriate time next week I should like to call that forward for consideration of the house, and perhaps the house would consider passing that bill prior to the arrival in Ottawa on June 6 of a very distinguished trade mission from Australia.

Mr. Pickersgill: I wonder if the house leader could assist us by indicating what the first business would be for next week.

Mr. Churchill: Subject to confirmation tomorrow night, the first item to be called on Monday would be the second reading of Bill No. C-58, an act to amend the Combines Investigation Act and the Criminal Code.

It being eight minutes after 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:

PUBLIC DEBT

Question No. 300—**Mr. Carter:**

1. For each of the years 1929, 1939, 1949 and 1959, either calendar or fiscal, what was the total public debt of Canada under the following headings (a) federal; (b) provincial; (c) municipal?

2. What was the estimated total interest paid under each of the above headings, for the same years?

3. What was the average rate of interest on public debts for the following years 1929, 1939, 1949, 1959?

4. What was the estimated population of Canada at the end of the following years 1929, 1939, 1949, 1959?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce:**

1 to 3. The total public debt of Canada, the annual interest charges thereon and the average interest rate (per cent) was:

Fiscal years ended nearest March 31		Public debt (a)	Annual interest charges thereon	Average interest rate
		(Millions of dollars)		(per cent)
1959	Federal	15,574.1	551.6	3.54
	Provincial	3,349.5	125.8	3.76
	Municipal	3,392.1	(b)	(b)
1949	Federal	15,585.0	411.6	2.64
	Provincial	1,767.0	63.8	3.61
	Municipal	995.0	(b)	(b)
1939	Federal	3,385.7	119.2	3.52
	Provincial	1,602.4	(b)	(b)
	Municipal	1,302.2	(b)	(b)
1929	Federal	2,325.4	116.8	5.02
	Provincial	817.9	(b)	(b)
	Municipal	1,134.1	(b)	(b)

(a) Federal- consists of unmatured funded debt (including bonds, treasury bills, treasury notes and deposit certificates). Provincial and municipal- consists of bonds and debentures.

(b) indicates figures are not available.

4. Population estimates at the end of the years indicated are not available, the estimates as at June 1 in the years indicated were: 1959, 17,442,000; 1949, 13,447,000; 1939, 11,267,000 and 1929, 10,029,000.

HOUSE OF COMMONS

Thursday, May 26, 1960

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

REPORT OF SECOND AND THIRD MEETINGS, CANADA-U.S. INTERPARLIAMENTARY GROUP

Mr. Speaker: I have the honour to table the report of the second and third meetings of the Canada-United States interparliamentary group.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, having regard to the contribution that this group is making to the good relations between Canada and the United States, and in particular to the contribution made by members of this house who met their counterparts in Washington recently, I would suggest with the leave of the house and in accordance with what was done on an earlier occasion that the report in question be printed as an appendix to *Hansard*.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think that is a very appropriate suggestion, and it is supported on this side of the house.

Mr. Speaker: Does the house give its consent to the printing of this report as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

[*For text of document referred to above, see appendix.*]

CHILE—ANNOUNCEMENT OF ASSISTANCE TO EARTHQUAKE VICTIMS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, following the brief statement I made in the house yesterday concerning assistance to Chile, I am now able to advise that arrangements have been completed with the Canadian Red Cross Society on their recommendation to make a preliminary contribution of $10,000 from the international relief fund for emergency assistance for the unfortunate victims of this terrible disaster. This initial grant is in cash, and the money was sent by cable yesterday afternoon. The Secretary of State for External Affairs (Mr. Green), who is in Chile today, is expected to present this contribution to the Chilean Red Cross and will at the same time convey to the Chilean government the deep sympathy and concern which the Canadian people feel for those who are suffering so dreadfully in this disaster.

Only a few moments ago I talked with the Secretary of State for External Affairs on the telephone, and he said there was an urgent need for emergency supplies. The government is giving its immediate attention to ways in which Canada might help in meeting this need. The Canadian Red Cross Society has arranged to send to Chile 48 cases of new clothing and much-needed medicine and drugs, and it is expected that these goods and commodities will be shipped by air.

I can assure the house that the government, in co-operation with the Canadian Red Cross, is keeping in the closest possible touch with the situation in Chile and will do everything in its power to provide appropriate assistance. I might also say that I feel the house will give support to the provision of an R.C.A.F. aircraft to convey the necessary medical supplies and the like to the stricken victims, and providing there is agreement in all parts of the house arrangements will be made accordingly.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, we on this side would most warmly support what the Prime Minister has suggested. But perhaps we could go a little further in this house and in this country and, in view of what appears to be the magnitude of this horrible catastrophe, and also the similar catastrophe in Japan, perhaps more can be done if further examination shows that the need is greater than appearerd yesterday. I am sure that if more could be done than this interim contribution through the Red Cross, this house and this country would support the provision of such additional help.

Mr. H. W. Herridge (Kootenay West): This group supports wholeheartedly this tangible though token expression of our concern and sympathy for the suffering of those who have been stricken by this disaster in Chile. We should also like to support the suggestion made by the leader of the official opposition with respect to Japan.

Legislation

ADMINISTRATION OF JUSTICE

TABLING OF AMENDMENTS TO RULES OF SUPREME COURT OF CANADA

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, pursuant to Section 103 of the Supreme Court Act, new rules of court and amendments thereto must be tabled in the House of Commons and the Senate. Accordingly I wish to lay on the table of the house one copy in French and one copy in English of a general order of the Supreme Court of Canada dated April 26, 1960 providing for amendment to the rules of the supreme court which are to come into force on July 2, 1960.

HOUSE OF COMMONS

PARLIAMENTARY RESTAURANT—APPROVAL OF REPORT OF CIVIL SERVICE COMMISSION

Hon. Donald M. Fleming (Minister of Finance) moved:

That the report of the civil service commission concerning a certain position in the parliamentary restaurant, laid on the table of the house on Monday, May 23, 1960, be approved.

Motion agreed to.

PERSONNEL OF SELECT COMMITTEE TO CONSIDER GREATER DISPATCH OF BUSINESS

Mr. John Pallett (Peel) moved:

That the select committee on procedure, appointed on May 9, 1960, be composed of Miss Aitken and Messrs. Argue, Balcer, Churchill, Crestohl, Fulton, Macquarrie, McCleave, McGee, McIlraith, Meunier, Pallett, Pickersgill, Rea and Ricard.

Motion agreed to.

ESTATE TAX ACT

Hon. Donald M. Fleming (Minister of Finance) moved for leave to introduce Bill No. C-65, to amend the Estate Tax Act.

Motion agreed to and bill read the first time.

AGRICULTURE

HONEY—ANNOUNCEMENT OF SUPPORT PRICE

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, the agricultural stabilization board has been authorized to assist honey producers by supporting the 1960 honey crop at a price of 13½ cents per pound national average for white No. 1 grade extracted honey produced in Canada. The support price is 102 per cent of the base price or the ten year average price for this grade of honey for the 1950-1959 period. This is the same support price that was in effect last year.

Honey production in Canada during 1959 totalled 31.5 million pounds, an increase of 4 million pounds over the production of 27.5 million pounds in 1958. Notwithstanding the increase in production, storage stocks at December 31, 1959 were only 437,000 pounds higher than storage stocks at the end of 1958. The favourable storage stock position is largely attributed to a significant increase in domestic usage.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR STATEMENT ON GOVERNMENT PROPOSALS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Labour and ask him whether he has now had an opportunity of looking at the joint release issued by his department and the dominion bureau of statistics on the employment situation and whether, in view of the fact that the percentage of persons without jobs and seeking work is approximately the same as it was two years ago at the height of the recession, the minister can tell the house whether the government proposes to take any steps to deal with this problem.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have had an opportunity to look up the information the member for Laurier requested. I have figures here which give the percentage of those persons without jobs and seeking work by the number of months they spent looking for work, for periods of between four and six months and more than six months. As a matter of record I think I should present the figures to the house at this time. These releases are all as of April. The figures which I think are best presented in table form are as follows:

Persons without jobs and seeking work by number of months looking for work (thousands)

		Looking for Work				
			4-6 months		More than 6 months	
Week ending	Total No.	No.	%	No.	%
April 18, 1953	167	44	26.3	15	9.0
April 17, 1954	309	104	33.7	29	9.4
April 23, 1955	329	109	33.1	47	14.3
April 21, 1956	258	81	31.4	24	9.3
April 20, 1957	308	102	33.1	20	6.5
April 19, 1958	522	216	41.4	71	13.6
April 18, 1959	445	156	35.1	84	18.9
April 23, 1960	517	191	36.9	62	12.0

It can readily be seen, Mr. Speaker, that it has run pretty well normally for the past eight years.

Mr. Chevrier: Mr. Speaker, I am grateful to the minister for the information he has given me, which was in answer to the second question I asked yesterday.

The first question I put to him yesterday and the question I put to him now is this. What measures does the government propose

to take in dealing with the problem, because as the figures which have now been released indicate—

Mr. Speaker: Order. I raise the point whether it is possible now to deal with a question of that magnitude involving, as it does, policy and following, as it does, so shortly after the third debate dealing with the question of measures to meet unemployment; whether it can be satisfactorily dealt with on the orders of the day. In my view it is too broad and general a question to be deal with at this time. If there is some specific aspect that the hon. member has in mind, he might inquire into it.

Mr. Chevrier: Yes. I will abide by your ruling, Mr. Speaker, and there is another question which comes to my mind. After looking at page 3, table 1, of the joint release, I wonder whether the minister can explain to the house what accounts for the increase in the amount of 12,000 in the number of the those not at work due to temporary layoff as of April, 1960, in comparison with April, 1959?

Mr. Starr: I will have to look into that, Mr. Speaker. If there are any other questions that the hon. member has on this release I wish he would ask them now so I can get him all the information at once. On the other hand, I should like to point out that the whole picture is not as black as the hon. member has painted—

Mr. Speaker: Order. May I say that the minister should not attempt to debate what I have stopped the hon. member for Laurier from asking.

IMMIGRATION

REPORTED ADMISSION TO CANADA OF STATELESS PERSON

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, moved by a combination of my humanitarianism and my inquisitive instincts, I should like to direct a question to the Minister of Citizenship and Immigration.

In view of the fact that in the first instance officials of the Department of Citizenship and Immigration told Miss Irene Rebrin that she was being deported because she was a stateless person, can the minister explain to the house why, according to press reports, another stateless person is being admitted to Canada by the Department of Citizenship and Immigration?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I cannot comment on the first part of the question because the case is before the courts. In so far as the second part of the question is concerned, some 2,800 stateless persons came into Canada last year. This is not at all unusual. People apply for entry in their own country; they comply with the requirements of the Immigration Act, pass the appropriate examinations, and are permitted entry into the country.

Mr. Chevrier: *Res adjudicata.*

Mr. L. D. Crestohl (Cartier): Can the minister inform the house to what country a stateless person can be deported?

Mrs. Fairclough: I am afraid I cannot; it is too broad a question, Mr. Speaker. In general, though, those people might possibly be accepted by the country of last residence, but that is not always true.

STATEMENT ON ILLEGAL ENTRY OF CHINESE

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Yesterday the hon. member for Bonavista-Twillingate (Mr. Pickersgill) asked me if I could give the house any information on a story attributing to the Royal Canadian Mounted Police the statement that approximately half the Chinese immigrants to Canada since the war have entered this country illegally. He also asked me to check with the Royal Canadian Mounted Police to see if this information was given to the press, adding that "similar information was denied to the house" the day before.

I have since checked with the Minister of Citizenship and Immigration (Mrs. Fairclough) and the Royal Canadian Mounted Police. I find that the commissioner of the Royal Canadian Mounted Police is reported in one of the papers as having said that, although the figure in question was not his, he would not disagree with this on the basis of preliminary checks.

I also find that, contrary to what was said by the hon. member for Bonavista-Twillingate, this information was not denied to the house. On May 24 the hon. member for Skeena (Mr. Howard) asked the Minister of Citizenship and Immigration whether she could provide any statistical information on this subject. The hon. lady answered that she did not have that statistical information; that the investigations were in the hands of the police, and that it might be some time before any specific information would be available, which is exactly the case. And it should be clear that in view of the scope and nature of the investigation, no specific information could be given to the house at this time.

Inquiries of the Ministry

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether I could ask the minister a supplementary question. Could the minister say when a denial is not a denial?

Mr. Fulton: I would say, when there is not a denial, Mr. Speaker, as there was not in the case to which the hon. member referred.

UNEMPLOYMENT INSURANCE

SEASONAL BENEFITS—STATEMENT ON REQUEST FOR NUMBER CUT OFF

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, yesterday the hon. member for Vancouver East asked whether information could be given as to the number of persons who were taken off the rolls of the unemployment insurance commission because of the termination of the seasonal benefit period on May 15.

The cut-off date for seasonal benefits is May 15. This year May 15 fell on a Sunday. Payment is made during the week in which May 15 falls, so that this year those on seasonal benefits received an extra week's payment and thus payment was made up to and including May 21.

The latest figures available as of April 30 with respect to active seasonal benefit claims, and covering those drawing and eligible to draw, indicate a total of 228,551. This figure included a total of 182,300 males and 46,251 females.

I might point out to the hon. member for Vancouver East that with respect to seasonal benefits and the period thereof there have been no complaints from the Canadian Labour Congress or the Canadian and Catholic Federation of Labour about the date of May 15, nor have there been any complaints about the fact that seasonal benefits now commence one month earlier than they did before.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether I could ask a related question of the Minister of Labour. Has the minister's attention been drawn to a statement which appeared in the Vancouver *Province* of May 24 to the effect that unemployment insurance is Vancouver's biggest payroll, with $3 million being disbursed in a busy month? Could the minister comment on that statement?

Mr. Speaker: I think that question should go on the order paper unless the minister had notice or has the information at hand.

Mr. Starr: I have not had notice of the question, Mr. Speaker, nor have I read the article to which the hon. member has referred.

[Mr. Fulton.]

POST OFFICE DEPARTMENT

SUGGESTED INCREASED USE OF POSTAGE METERS

On the orders of the day:

Mr. Azellus Denis (St. Denis): I should like to direct a question to the Postmaster General. Is the Postmaster General aware of the existence of a new postage meter as reported in this morning's newspapers? If so, has he considered the advisability of using such a meter as a means of economy in avoiding the use of stamps?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I am aware of this new meter. As I think the hon. member is very well aware, a similar type of instrument is widely used throughout the government service in place of postage stamps.

BUSINESS OF THE HOUSE

COMBINES INVESTIGATION ACT—CRIMINAL CODE —REFERENCE OF AMENDMENTS TO COMMITTEE

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Justice. It is based upon the indication last night by the Minister of Trade and Commerce that probably the first item of business on Monday will be second reading of the proposed amendments to the Combines Investigation Act and the Criminal Code. In order to allow ample opportunity for witnesses to appear and make their views known as to the proposed legislation, will the minister consider moving at the appropriate time that the bill be referred to a committee of the house for study?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, it is the intention of the government to move that the bill be referred to the banking and commerce committee as soon as it has been given second reading.

FISHERIES

MANITOBA—REQUEST FOR ASSISTANCE IN TRAP NET EXPERIMENT

On the orders of the day:

Mr. Eric Stefanson (Selkirk): I should like to direct a question to the Minister of Fisheries. Has the province of Manitoba requested any assistance for their proposed program of experimenting with trap nets on lake Winnipeg? If so, what action has been taken by the Department of Fisheries?

Hon. J. A. MacLean (Minister of Fisheries): I want to thank the hon. member for Selkirk for having given me notice of his intention to ask this question.

The government of Manitoba have requested assistance in the introduction of new types of fishing gear to lake Winnipeg, including trap nets and the mid-water trawl. The department's specialists in this field of endeavour are co-operating by giving technical advice, and arrangements have been made for one of the department's technical personnel to make a field study of the gear now being used with a view to advising on new and improved fishing methods which might have commercial application.

BRITISH COLUMBIA—STATEMENT ON REPORTED DECISION TO NOT RESUME HERRING OPERATIONS

On the orders of the day:

Hon. J. A. MacLean (Minister of Fisheries): Further to the preliminary reply which I made yesterday to a question raised by the hon. member for Vancouver East (Mr. Winch) regarding the herring fishery of British Columbia, I should like to point out that the basis of the difficulty in this industry has been the recent phenomenal increase in the production of fish meal in Peru.

Fish meal is produced not only from herring but also from many other species of fish, either directly or as a by-product in filleting operations. It is produced in all coastal provinces of this country and in most other fish producing countries. It is used as a high protein supplement in animal feed.

The ten-fold expansion of Peruvian production over the past few years has brought about a sharp drop in world prices. This directly affects all Canadian producers, as Canada exports nearly two-thirds of her total production. I would emphasize that while the immediate impact is on the herring fishery of British Columbia, the problem is international in scope, and is of major concern to my department as it affects the fishing industry in all parts of Canada.

The problem is now under active study not only by the Department of Fisheries but by other departments of the government.

(Translation):

CANADIAN BROADCASTING CORPORATION

PROGRAM "RENDEZ-VOUS AVEC MICHELLE"—PAYMENT FOR PUBLICITY

On the orders of the day:

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I should like to direct a question to the Minister of National Revenue or, in his absence, to his parliamentary secretary.

Could the minister inquire from responsible C.B.C. officials whether Mr. Pierre Tisseyre, a Montreal publisher, is required to pay for the publicity plugs that are being made from time to time on behalf of his publishing firm on the T.V. program "Rendez-vous avec Michelle"?

If not, why is this publishing house given preferential treatment, and does the C.B.C. intend to grant equal privileges to other publishers?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): I shall inquire from the Canadian Broadcasting Corporation and answer this question later.

Hon. Lionel Chevrier (Laurier): You shall have a whole set of answers to give.

(Text):

SUPPLY

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

DEPARTMENT OF AGRICULTURE

24. Grants to agricultural organizations as detailed in the estimates, $239,250.

The Deputy Chairman: This item will be found on page 6 of the blue book, the details at page 111.

Mr. Browne (Vancouver-Kingsway): When we were last discussing the estimates of the Department of Agriculture on May 20, the hon. member for Waterloo North was making a few remarks in connection with the 4-H clubs of Canada and their activities. Unfortunately he was not able to complete his remarks at that time because it was necessary for the house to go on to other business. Knowing his great interest in the movement and how anxious he was to have made known to the committee the valuable activities of this organization, I should like to add a few remarks which may be taken in conjunction with those he made at that time, which are to be found at page 4113 of *Hansard* of May 20.

I am not going to repeat what he has already said. While the remarks I make at this time will not be complete in themselves, if they are taken in conjunction with what he said at that time perhaps they will give the committee a picture of the atcivities of the 4-H clubs. It is anticipated that enrolments will go up in 4-H clubs again in 1960 and that another conservation club and another tractor club will have been initiated by the end of the year.

One of the officials has stated that one of the chief reasons for the successful 4-H program is the excellent leadership given by the young farm men who have themselves come up through 4-H and junior farmer ranks. Nothing could give the government more

gratification than to know that junior farmers endorse their support of 4-H activities by voluntarily devoting their time to this work. Service clubs have been encouraged to sponsor 4-H clubs, and I like particularly the condition laid down that sponsorship entails at least one visit by the service club to the 4-H club in action.

This is a very worth while rural-urban outgrowth which has enormous possibilities. It could strengthen the links of understanding and co-operation between farm and non-farm communities in many ways. I hope that junior farmers, as they in turn become members of service clubs, will do their best to follow up along this line.

I understand that junior farmers are proving of real help in a variety of ways such as in livestock judging, land judging, dairy princess competition and barbecue, public speaking and debating, putting up a stump fence at the Pioneer museum, helping with the needy families Christmas fund and the annual drama festival. They also won four sports championships at the Guelph field day and reached the provincial finals in the drama and public speaking contests at the Toronto conference.

These are very diverse and valuable accomplishments, and they indicate a wide-ranging intelligence on the part of our young rural people. I do not exclude the young women who have their own counterpart to the junior farmers, and whose support at the junior and senior levels is very important to the success of any agricultural movement. I think I have said sufficient to convince you that the federal and provincial governments are doing all they can to encourage, educate and finance any ventures into farm life that have a good prospect of success.

We are fortunate in being born into the machine age of agriculture, where a good head is a better asset than a green thumb or big biceps. The production of a great deal more food than we can readily market at once brings problems for which we cannot truthfully say the machine is entirely responsible. We have had these problems previously in different forms and in varying degrees, and we have made adjustments. The fact is that we each have more responsibility than just our own family and our own community and even our own country. We are trying to work with the community of nations in apportioning the food of the world to the needy of the world, and it is a difficult job to do without disorganizing the ordinary channels of commerce through which eventually the world commerce must flow again, when normal conditions reign.

[Mr. Browne (Vancouver-Kingsway).]

In the meantime the rapid growth of our own population is the greatest guarantee of the security of the farmer. With a constantly increasing number of consumers and a constantly increasing rate of yield from this wonderful, fertile land, we have the formula for successful living in agriculture. Our minister and his department are extending every assistance to our junior farmers. I know this is greatly appreciated by the younger farmers in our country.

Mr. Van Horne: I rise this afternoon, Mr. Chairman, merely to draw attention to some of the problems facing the farmers in my area. I wish to point out in the first place that there were three things this government was bent on doing. One was, of course—

The Deputy Chairman: Order. I wonder whether the hon. member realizes that we are on vote No. 24. His remarks, of course, will have to be relevant to vote 24, which is the livestock division of the production and marketing branch of the Department of Agriculture.

Mr. Van Horne: I merely wanted to mention that this particular item in the estimates will certainly go a long way toward solving the problems of some of the farmers.

Mr. McBain: Mr. Chairman, I cannot let this vote pass until I have made a few comments regarding the grant made to the Canadian council of plowing associations. This grant is appreciated by this organization. It gives them an opportunity to sponsor various plowing matches in all provinces in Canada and also take part in the world plowing match which we hope will eventually come back to Canada in the near future.

Before taking my seat I wish to mention the fact that this year the county I represent, Elgin county, will be playing hosts to the Ontario provincial plowing match to be held near the village of Springfield the week of October 10. It was 20 years ago that the county first played host to this great agricultural organization and helped at that time to stage one of the largest plowing matches held up to that time. The Elgin organization hopes that they will be able to duplicate the event of 1940 and stage once again the biggest plowing match ever held in Canada. I just wish to extend to all my colleagues and all other people interested in good plowing who will be with us on one or more of those days an invitation to see some of the finest land you can find anywhere in the province of Ontario for the site of this match. I can assure them that they will not have to walk too far to see

all the events in the plowing, and I hope my colleagues will keep in mind the week of October 10.

Item agreed to.

25. Quality premiums on high grade hog carcasses and administration costs, $7,340,000.

Mr. Caron: Mr. Chairman, can the minister tell us the reason for the reduction of $96,000 on this item?

Mr. Harkness: The reason that the estimate this year is less than last year is due to the fact that we anticipate hog production will be lower this year than last year. As the hon. member is aware, we had quite a serious surplus of hogs last year and we have taken measures to try and ensure that production comes more into line with what can be marketed. Present indications are that production this year will be about 16 per cent less than last year, and as a result we require less money for freight subsidy on hog feeds.

Mr. Caron: Would that $96,000 cover the 16 per cent reduction perfectly well?

Mr. Harkness: The actual fact is that there was an $800,000 supplementary vote which was necessary to take care of the big increase in hog production which took place last year. So that there is that large reduction on top of this.

Item agreed to.

27. Freight assistance on western feed grains, $21,000,000.

Mr. Regier: Mr. Chairman, this is a rather large amount of money which is being asked for. It has been paid year after year; there is nothing new about it. I wonder if the minister would explain to the house what the result would be if this grant were not made?

Mr. Harkness: If the grants were not made the likely effect in eastern Canada would be that a very considerable quantity of western wheat, oats and barley would not come down here for feed, and that the animals which are normally fed on that would probably be fed on corn imported from the United States. The provision of this freight assistance makes it possible for Canadian produced grain to secure the bulk of the market for feeding stuffs in eastern Canada as well as British Columbia.

Mr. Regier: Is the minister in a position to say how far east our western grain goes in this regard?

Mr. Harkness: It goes right to Newfoundland, and as the hon. member is no doubt aware it also goes to British Columbia.

Mr. Benidickson: Does the minister think that this item will prove to be adequate for the present fiscal year without supplementaries? I recall that the estimate last year was greatly under requirement. I have not the 1959-60 book with me but the minister might refresh my memory as to how much was put in the main estimates, because a very substantial supplementary payment was required.

I noticed that when the estimates were prepared and printed, which would be about January of this year well in advance of the end of the fiscal year on March 31, it was indicated on page 114 of the details that the expenditures for 1959-60 would probably be $24.5 million. Would the minister indicate what the actual amount has proven to be to March 31, 1960; and if it is a sum, as I think it will be, considerably more than $21 million, is this a realistic figure?

Mr. Harkness: Yes, I believe it is, Mr. Chairman. As the hon. member for Kenora-Rainy River has indicated, we had to ask for an additional $3.5 million last year. That was practically all required.

The reason for that was, first of all, that there was an increase in freight rates which the hon. member possibly remembers—

Mr. Benidickson: And that will prevail in the coming year.

Mr. Harkness: —which increased our costs. In the second place there was a large increase in the production of hogs particularly, and also in certain other livestock which I mentioned earlier, and the fact that production will be down 16 per cent this year indicates that the amount of grain which will be required will be reduced.

In addition to that the hon. member perhaps recalls that the board of transport commissioners passed an order not very long ago providing for a decrease of 2 per cent, I believe it was, in these freight rates. This only affects those east of Montreal, but that again will result in some reduction over our costs last year.

Mr. Horner (Acadia): I wonder if the minister would tell us, as I understand there was $23.5 million paid out last year, into what provinces this assistance went generally?

Mr. Harkness: The amount I mentioned was actually $24.5 million last year. I think I can get a break-down for the hon. member in a moment as to where that sum went by way of provinces. I have not got it at the moment but I will reply to the hon. member after the next question.

Mr. McFarlane: Mr. Chairman, I just want to say a word on this vote. The policy of freight assistance to feed grains from one province to another was instituted in 1941, and since that time it has been a bone of contention between both provincial and federal governments. I am referring specifically to the feed grains from the Creston-Wynndel area of British Columbia.

As you are aware, the grain grown in my district comes under the control of the wheat board—that is the grain grown in the Creston-Wynndel area—and they were included in the original order in council. The order in council in question was No. 604 of February 1, 1944, and feed grain subsidies were to be applied when sold under the freight assistance policy.

I would like to give you just a part of the act, as I understand it, as it was at that time.

(1) On western wheat, oats, barley, rye, No. 1 feed screenings or No. 2 feed screenings, whole or ground, wheat bran, wheat shorts or middlings, shipped from points of origin in the provinces of Alberta, Saskatchewan or Manitoba and in that part of British Columbia known as the Peace river district, the Creston and Wynndel areas, and in such other parts of British Columbia as the Canadian wheat board may, from time to time, designate under authority of the governor general in council, to destinations in British Columbia and distributed for use exclusively as feed in British Columbia for Canadian live stock or poultry before July 1, 1942.

Because of the lack of direct transportation, it is felt that the feed grains must be shipped out of the province even though the final destination of the grain is British Columbia. Apparently through an oversight, tariff No. 145 was abolished on July 1, 1951. According to my research on this matter, the preamble to P.C. 604 was incorrect. The government was advised, but no change was made, and when shipments were made from the Creston-Wynndel area the department ruled that such shipments were not eligible for freight assistance in spite of the fact that the Peace river bloc and also the Creston-Wynndel district were to be included and receive the same consideration as prairie points. It does not appear logical to discriminate against our area while at the same time allowing Peace river grains to be included. At that time it was necessary for grains from the Peace river to be shipped into Alberta over the Northern Alberta railways to Edmonton and then back into British Columbia, the ultimate destination being Vancouver. Should we ship direct to Vancouver, freight assistance is not allowed. Up to the present we have been refused this allowance which would enable us to place our feed grains on the Vancouver market, a market which is rightfully ours.

[Mr. Harkness.]

In order to fill the market demand in the lower mainland, we endeavoured to transport by truck. This was found impossible under winter conditions over British Columbia roads, owing to inadequate ferries and high summits. The alternative was to ship in bond by way of the United States routes. This was also blocked by the wheat board claim that such movement constituted an export. Permits were refused. On appeal, the customs department ruled that shipments in bond did not constitute an export.

The matter was again discussed in this house in February of 1957 at which time we were given a sympathetic hearing. It is true that the federal authorities do not have complete control over all the factors involved. Nevertheless, we do have the control necessary to correct this injustice. Legislation has been passed in the British Columbia legislature, particularly under the provisions of the British Columbia feed assistance act, to encourage the shipment of Peace river grains produced in British Columbia and shipped over the Pacific Great Eastern railway. This railway is subsidized and operated by the government. As a result, the taxpayers generally are being called upon to pay for this road, including the taxpayers of the Creston-Wynndel area. To the best of my knowledge this act has not as yet been proclaimed.

There is just one other item I wish to mention. The effect of this legislation has been to place the producers of feed grains in other parts of the province at a disadvantage to the extent of the subsidy or assistance provided in the provincial act. As a specific instance, as of December, 1958 feed grains moved by Pacific Great Eastern railway from St. John in British Columbia to the lower mainland at a rate of 67 cents per 100 pounds less freight assistance of 40 cents per hundred pounds, or $5.40 per ton as against a truck rate from Creston to the same destination of $11.20 per ton, movement by rail being prohibited by the wheat board at that time.

In view of this truck movement outside the control of the wheat board and at a disadvantage of $5.80 per ton to the Creston-Wynndel producer, the Canadian wheat board granted permission for shipment of feed grains on a direct producer-purchaser basis. I quote from a letter from the wheat board which states that advantage was taken by this permission to move feed grains by rail from Creston-Wynndel to interior points in British Columbia, and that producers in the British Columbia Peace river bloc, hearing of this, requested permission to move their feed grains by rail over the

Pacific Great Eastern railway to other British Columbia destinations. The wheat board thereupon granted similar permission to the Peace river producers, subjecting both permissions, however, to certain regulations designed to enable the wheat board to maintain a record of such movements, and to provide that the same would not enter any commercial facility in the designated areas, or be billed to a licensed terminal facility on the west coast of British Columbia.

The federal Department of Agriculture agreed to pay freight assistance on movement of feed grains out of the British Columbia Peace river block into other areas in British Columbia, realizing at last that while this was to create a precedent, it was, to quote their own words "completely illogical to pay freight assistance on British Columbia Peace river feed grains if moved via Alberta, but not if moved directly".

The point I wish to emphasize at this time is this: here we have a small section of British Columbia which is producing approximately 300,000 bushels of feed grain per year. We have put this area under the control of the wheat board, and yet we are not allowed any of the advantages of freight assistance such as are allowed to the Peace river block, though the Peace river block is shipping directly over the subsidized Pacific Great Eastern railway which is paid for by the taxpayers of British Columbia and, incidentally, of other parts of Canada. I feel, therefore, that the same assistance should be granted to the Creston-Wynndel area.

On a similar theme, I should like to draw attention to the fact that for the last two or three years there has been a shortage of hay on the prairie provinces, though an excess tonnage of hay was grown in our area. Freight rate subsidies were apparently made available to all other points except points in the Creston valley. I feel that our area should be given the same consideration as other parts of the province. If others are able to ship grain over subsidized provincial railways, then the same measure of assistance should be granted to shipments out of the Creston valley. Freight rates should be made applicable to our area in order that we also may be able to dispose of the surplus hay that we have on hand.

Mr. Harkness: The matter which the hon. member for Kootenay East has raised does present a certain anomaly. The basic difficulty in the situation is that federal freight assistance was provided to move feed from the surplus producing areas of the prairies to feed deficit areas in eastern Canada and in British Columbia. It was not intended for moving grain within a province, and no such provision was, in fact, made. When this arrangement was put into effect, the Peace river block in British Columbia was served only by the railway going out of Edmonton which meant that any grain shipped came across the interprovincial boundary, and then it went east or west from Edmonton. This constituted no departure from the general principle.

As the hon. member mentioned, once the Pacific Great Eastern railway was connected into the Peace river block it was not good sense to subsidize the shipment of grain by way of Edmonton out to the Fraser valley rather than directly down through British Columbia. On that basis we have been paying a freight subsidy on grain moving from that particular area. However, the basic purpose of this subsidy is to pay part of the cost of the freight so that feeders will be in a better competitive position and to ensure that Canadian grain is used to the greatest possible extent for feeding purposes in Canada.

We are paying freight assistance on grain going from Alberta into the next valley to Creston at the present time. The market for the Creston grain should be handled in that immediate area to which we are shipping grain and not in the Fraser valley and not in Vancouver. The people having grain at Creston should be selling their grain in the immediate vicinity where the cost of transporting the grain to the market would be comparatively small. If we were to pay a subsidy on the grain shipped from Creston to send it to the Fraser valley or to Vancouver for distribution from there we would be shipping the grain out to the coast, paying a freight subsidy on it and at the same time paying a subsidy on other grain being shipped in to the area immediately contiguous to the Creston area which would not be good sense and would create an anomaly.

I merely point out that this is a situation in which there seems to be no completely logical answer. We are still looking at the matter. The whole question of the movement of grain and particularly of the movement of feeds is tied up with the inquiry being carried on at the present time in the agriculture committee. After their report is submitted we may make changes as far as the movement of grains and the subsidy on grains, particularly from the Peace river area, are concerned.

The hon. member for Acadia asked for a break-down on the $24.5 million we paid last year. I do not have figures for the entire year because all the claims are not in and all the payments have not yet been made.

The total number of claims paid up until about a week or ten days ago is $21,614,000. That is broken down in the following way:

Province	Amount
British Columbia	$2,058,000
Ontario	4,956,000
Quebec	9,804,000
New Brunswick	1,392,000
Nova Scotia	2,194,000
Prince Edward Island	510,000
Newfoundland	498,000

Those figures are expressed to the nearest thousand.

Mr. Herridge: Mr. Chairman, I want to support the remarks made by the hon. member for Kootenay East. I have been raising this question since 1952. As the minister admitted, there is a serious anomaly in the administration of this freight assistance as far as the grain producers in the Creston area are concerned. The minister was right in pointing out that the market is in the east and west Kootenay areas with a considerable market in the coastal area and particularly in the Fraser valley. This present ordinance or form of administration creates an injustice for grain producers in the Creston area and the consumers of these grains in some portions of the Kootenay area and especially livestock and poultry producers.

This matter was discussed by various farmers' institutes and poultry and livestock producers' meetings. They are of the opinion that it is an illogical decision and most unfair.

The minister mentioned that possibly after the agriculture committee reported there could be some examination of the question. I suggest he has not complete information as to the true situation. There should be a thorough examination of the situation in the Creston area and the consumers of these needs of livestock producers in east and west Kootenay and other available markets so that feed and grain producers in the Creston area may be treated the same way as grain producers in the Peace river bloc.

The situation has become more unfair since the grain producers in the Peace river bloc were allowed to ship direct to Vancouver. We do not regret their having this opportunity but think that all grain producers in our province and the consumers of coarse grains should be treated on an equal basis.

The minister mentioned the excess tonnage of hay. I had that brought to my attention by farmers' institutes which had a considerable surplus of hay last year. They are denied the opportunity of reaching markets because of freight costs particularly in the Arrow lakes district. In that area they have to ship over local facilities. The cost of shipping 25 miles equals the cost of shipping 300 miles once it gets to the railroad. There should be an inquiry into that situation while the minister's officials are inquiring into the matter of coarse grain marketing.

Mr. Pugh: Mr. Chairman, this month freight assistance for feed grains was cut off for grains being carried into Canada by United States railways. I can understand the feeling of the government with respect to indirectly subsidizing United States railways but at the same time I should like to bring to the attention of the minister the fact that these cattle men, poultry men and others using feed grains in certain areas in Canada have been discriminated against because their grain now costs them approximately $5 or $6 more to bring it into a place.

There are two towns in my constituency served by the Great Northern railway, Keremeos and Cawston. There is no other facility for transporting grains without transshipment which of course adds to the cost of the grain. I should like to know from the minister if it is possible to have a list of the points in Canada affected by this order. I also urge that consideration be given to the moving of feed grains into areas such as Keremeos and Cawston where there is discrimination. There is no point calling it anything else although I hate to harp on the subject of discrimination. These people pay more for their feed grains and the industry which is affected is in all cases an established industry.

Mr. Harkness: There is no point I know of that is in the exact position of the one to which the hon. gentleman refers but there are many points in Canada which are not on a railway and grain has to be taken from the nearest railway point to the location where it is used. That is exactly the situation here except that this point happens to be on a United States railway. When the subsidy was paid it cost twice as much to ship via the United States to a certain point than it cost to ship to any other point in British Columbia. This was not a practical situation. The solution to this difficulty and the one at Creston is to transport the grain from Creston to these points in the Okanagan valley and adjacent valleys. This could be done much more cheaply than by the payment of the subsidies requested.

Mr. Pugh: I should like to add my words to those of the hon. member for Kootenay East. I hope that some form of assistance would apply to grains moving from Creston. Frankly, the grain cannot be moved unless there is a subsidy of one sort or another.

Mr. Herridge: The minister will realize from the comments of the three hon. gentlemen who have spoken that this is a matter of some concern. The minister mentioned an investigation. When will we hear about the results of the examination? Will a report be made to the committee or the house? I think it should be followed up and gone into immediately so that everyone will have a clear picture of the situation.

Mr. Harkness: I must apologize to the hon. member. There were two or three people talking to me about a serious matter and I did not hear the question.

Mr. Herridge: I listened to the remarks of the three previous speakers on this question and the concern expressed respecting the various producers. The minister suggested the matter should be examined into. After the matter is examined into—I think it should be done immediately—where would the report be made? We do not want it left in abeyance until the next session of parliament. Will the result of the report be made known to this house, to a committee of the house or to the members of the constituencies particularly concerned? Will the minister inform us what will be done to shed some light on the question at the earliest possible date?

Mr. Harkness: The investigation would really be an internal matter done by Ottawa officials of the department and the report, as a result, would be an internal report made to me, and then subject to general view by the government.

Mr. Fisher: How much of this money was paid on grain shipped down through the lakehead?

Mr. Harkness: All of the grain going to eastern Canada would be shipped down through the lakehead.

Mr. Fisher: The subject of cattle feeding at the lakehead has been discussed there. It is understood there are difficulties in the way of taking advantage of this particular subsidy.

Mr. Harkness: The subsidy paid is on the movement of grain from the lakehead to points in eastern Canada. Therefore, of course, for grain which was used at the lakehead there would be no subsidy paid naturally, because the grain is already there. The hon. member spoke to me about this matter of feeding facilities being put into operation at the lakehead. In view of the fact there are all kinds of screenings and things of that sort available I would think that it is a straight matter of enterprise on somebody's part to put in an operation of that kind. It would appear from the fact that there are all those screenings and things of that sort, which generally sell at a relatively low price and which can be utilized as feed, the possibility of having a feeding operation at the lakehead should be very good.

Mr. Fisher: What is the situation in regard to the rate of those subsidies in effect in relation to the Crowsnest pass rate? This is for information purposes. What is the scale? Does the grain under this subsidy reach the lakehead much more cheaply than other grain.

Mr. Harkness: The grain reaches the lakehead under Crowsnest pass rate and the subsidy, as I say, is from the lakehead on to eastern Canada. In other words, grain, whether it goes into the export market or whether it is used for feeding purposes within Canada, pays the same rate from the place this grain is grown to the lakehead.

Mr. Fisher: I did not know that.

Mr. Harkness: Then, this subsidy is paid on the movement of grain, which is used for feeding purposes, from the lakehead to points in eastern Canada.

Item agreed to.

28. Agricultural lime assistance, $1,200,000.

Mr. Peters: People in my area in particular are very interested in the subvention paid on agricultural lime. The use of lime is increasing. I was wondering whether the increase is taking place in Ontario or in other parts of the country?

Mr. Harkness: The figures for last year as to the amount paid in each province are as follows: Newfoundland, $21,000; Prince Edward Island, $63,000; Nova Scotia, $115,000; New Brunswick, $113,000; Quebec, $745,000; Ontario, $45,000; British Columbia, $52,000. In 1958-59 the same relative figures are $32,900; $53,380; $101,290; $85,690; $740,100; $47,150; $56,820.

Mr. Peters: It has been brought to my attention by farm organizations in northern Ontario that it would be advantageous to them and to all farmers if this particular subvention could be extended to apply to other forms of fertilizers. As we know, this has been a joint proposition on the part of railway companies, provincial governments and the federal government under which the railways give a deduction in freight rates of 25 per cent, the provincial government pays up to 75 per cent of the reduced freight rate and the federal government assists the provincial government, if asked, to the tune of 60 per cent of the amount that the provincial government pays.

In southern Ontario there is a limit on the amount per ton allowable. In northern Ontario, where they have been able to take advantage of this assistance, there is no limit.

The act was amended in 1958. It does make allowance for trucking by transport as well as movement by railway. What my people are requesting is that consideration be given to extending this type of assistance to agricultural fertilizer.

In the farming communities of Timiskaming agricultural limestone is a supplement to improve the soil, such as fertilizer would be and the farmers there feel that if this type of assistance could be given to help them to pay freight costs it would be advantageous to them in the area. They suggest that other types of fertilizer be included in the limestone subvention.

The farmer himself is a conservationist. He will put the assistance he receives back in to the land if he is given the advantage of this subvention. If he is given that type of assistance he will apply it to the land and the whole country will benefit immediately from it. I think the farm organizations, particularly the farm unions, have given consideration to this matter. I am sure they have written the minister requesting the inclusion of other types of fertilizer in this item. In the next year or so will the minister give consideration to extending this item to include commercial fertilizers for agricultural purposes?

Mr. Harkness: This is a shared program. We pay up to 60 per cent of the subsidy paid by the provinces, whichever province it might be. The only province that I know of that pays any subsidy for fertilizer is the province of Quebec; therefore, the two things are not on all fours.

There is another reason why there is a difference between the provision of lime and of fertilizer. The provision of lime makes a more permanent improvement in the texture of the soil and so forth; whereas fertilizer produces one crop only. In any event, that is the situation. There are seven provinces that pay a subsidy on lime but only one that pays a subsidy on fertilizer.

Mr. Peters: Is the province of Quebec included under this legislation? Is the federal government assisting them?

Mr. Harkness: No, the federal government does not assist in the movement of fertilizer. It is done directly by the province only.

Item agreed to.

[Mr. Peters.]

29. Plant protection division, $1,079,622.

Mr. Fisher: I want to ask one question. It relates to the possibility of the department of forestry that is to be created expanding its scope to include the forest biology division. If this should take place, and it has been recommended in some quarters, is this the division to which the residue of the science services in this field is likely to go?

Mr. Harkness: No, it will go to the research branch.

Item agreed to.

SPECIAL

Irrigation and water storage projects in the western provinces including payments in the current and subsequent fiscal years in accordance with the agreement of July 25, 1958, relating to the South Saskatchewan river project; the Prairie Farm Rehabilitation Act program; and land protection, reclamation and development—

31. Administration, operation and maintenance, $7,602,105.

Mr. Forbes: Mr. Chairman, I do not wish to take up too much time of the committee but I should like to take this opportunity to express the appreciation of the farmers of Dauphin federal constituency to the minister for extending the designated boundary of P.F.R.A. to include our area. The farmers of my constituency have for years endeavoured to have the boundaries extended to enable them to benefit by financial assistance toward water dugouts and agricultural engineering to prevent erosion by water and so on.

The minister has also authorized the construction of a community pasture in the federal constituency of Dauphin and the establishment of this community pasture will be of great assistance to our grain farmers in encouraging the raising of livestock and in this way helping to balance the agricultural economy of my constituency. The community pasture project was started about two months ago and something seems to have happened to hold up the work. I hope that the minister will take action to speed up the construction of this pasture within the next few months so as to enable the farmers to benefit from it this year.

Mr. Van Horne: Mr. Chairman, with particular regard to land protection, reclamation and development, I wish to bring to the attention of the committee a very serious problem affecting some of the farmers in my riding. The problem arises because the waters of the rivers and also of the bay of Chaleur are eroding their farms and causing serious loss. In one particular area known as Charlo we have been trying for many years to get the various responsible departments of the federal government to do something about protecting the farms that are being eroded, some to

such an extent that the farm houses and the barns have had to be moved back two or three hundred feet in order that they will not be completely washed away or damaged beyond repair.

In Madawaska county the same problem exists with regard to the Saint John river. At places like Clair the river is eroding the farms. I feel that the minister could very well direct the department—I am sure he will be happy to do so—to make a serious study of this matter at this time. I think it comes under this heading. I would think that the amount of money to be voted here is sufficient for the purpose of having a serious investigation made of this ever-increasing problem in my riding.

Mr. Harkness: This particular vote has to do with the Prairie Farm Rehabilitation Act, and under that act, of course, there is no authority to carry on operations in the maritime provinces. However, there is a following vote having to do with the Maritime Marshland Rehabilitation Act under which we have done a great deal of reclamation work. At the present time, as the hon. member probably knows, we have in the course of preparation a full-scale conservation conference with all the provinces in order to work out a soil and water conservation program for all of Canada under which matters such as he has mentioned would be taken into account.

Mr. Van Horne: I realize that my remarks would apply more properly to vote No. 33. However, we may not be able to get that far and that is the reason I have brought up the matter at this time.

Mr. Peters: How extensive are the plans and how far have they progressed with respect to the irrigation and reclamation that will be possible when the South Saskatchewan dam is finished? I presume that work is now going forward on irrigation connected with that project and I am curious to know how much land will be reclaimed.

Mr. Harkness: The total amount of land which can be irrigated as a result of the South Saskatchewan dam is estimated at 500,000 acres. It will be quite a number of years before all that land can be irrigated. Mr. Chairman, I would ask that we rise and report progress.

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

THE LATE GORDON KNAPMAN FRASER

ANNOUNCEMENT OF DEATH OF HON. MEMBER FOR PETERBOROUGH

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it is with a deep sense of personal loss that I rise for the purpose of advising the house of the passing of one of our fellow members, Gordon Fraser. This morning he served in his capacity as chairman of the committee on railways, canals and telegraph lines. This afternoon he passed away.

The late Gordon K. Fraser

He first came into the House of Commons in 1940 and was re-elected five times since. In every field of public service Gordon Fraser gave of his best. He did so unostentatiously. He helped those who needed help and he let no one know what he had done.

It is difficult to find words to express the feelings of hon. members in all parts of the house at the passing of one with a wonderful disposition and a warm heart. During the days of war he participated a great deal in debate but in the last few years he devoted himself to a greater extent than previously to those responsibilities in committee that are of such great importance in any democratic institution such as ours.

While he had strong opinions and on occasion expressed himself strongly he conducted himself in a way that represents to all of us the epitome of parliament: he never wounded when he disagreed. We shall miss him. Each of us will feel a sense of personal loss.

To his widow, his two daughters and his son I express the heartfelt sympathy, not only of members of the party to which he gave his allegiance but I know that hon. members in other parts of the house will join in tribute to one who lived and passed away in harness. In his day and generation, he made the best contribution he could, with the unusual capabilities he possessed, not only for his own province but for Canada as a whole.

I suggest that, after the other tributes have been paid to him, the house might feel constrained to adjourn for the rest of this day.

Hon. L. B. Pearson (Leader of the Opposition): It is always difficult, Mr. Speaker, to know what to say on a sad and indeed tragic occasion like this. It is particularly difficult today because of the sudden shock that we have received. It seems to me that these sudden and tragic occasions are occurring all too frequently in the House of Commons. In a way, perhaps, they reflect the stress and strain under which members work in these difficult days when they are trying to serve their country in parliament.

Gordon Fraser was a friend of all of us, especially those of us who have been some years in the House of Commons. I had a special bond of friendship with him which transcended party differences in that among other things we both had the privilege of living in the same two cities of Ontario, name-

ly Hamilton and Peterborough. I should like to join with the Prime Minister (Mr. Diefenbaker) in paying tribute to the modesty, sincerity, devotion and ability which he displayed in serving his community, his province and his country in this house over so many years.

I know how much he will be missed. It was only a few hours ago that I was discussing with him a trip that I am making to Peterborough next week to celebrate the 100th anniversary of the public school I once attended there. He told me that he would not be on hand, that he would be across the ocean in England. As I left him in the corridor I remember saying, "Well, Gordon, I will say a good word for you". This afternoon, Mr. Speaker, I can still say a good word for him; but also my words must be those of shock and grief at this sudden tragedy.

I want to join with my colleagues on this side of the house in the sympathy the Prime Minister has expressed to Mrs. Fraser and the family, and to tell him that we also sympathize with him and his colleagues in the loss they have sustained. I know that will be particularly the case with the older members on the other side of the house who worked and served with Gordon when he was on this side of the house. They will perhaps miss him more than any of us.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, these sad but inevitable occasions cause us all to experience a sense of shock and of sorrow, something which I believe demonstrates our common humanity regardless of our differences of opinion on many questions.

The members of this group extend to Mrs. Fraser and the family our sincere and deepest sympathy. These sad occasions which divert us from consideration of the matters of the moment give us cause for a brief time to sense the eternal. Gordon Fraser will be long remembered by all of us as a friend and as a colleague who was loved. He had a constant devotion to duty, and for this quality of character was respected sincerely by all who have known him throughout the years. We join the Prime Minister (Mr. Diefenbaker) and the Leader of the Opposition (Mr. Pearson) in expressing our extreme sorrow at this sudden passing of our colleague and friend.

(Translation):

Mr. Chevrier: Mr. Speaker, I feel I should be remiss in not paying a few words of tribute to the man who has just passed away so suddenly, and whom a good many of us saw at work, no later than this morning, in the committee on railways, canals and telegraph lines.

All members of that committee knew the fairness and spirit of justice with which Mr. Fraser presided over its work. This morning, after the committee adjourned, I was wishing him "bon voyage" to England—he was to leave next Wednesday—and told him that after his return, we might look into other aspects of the matter we had been discussing.

He seemed in good health, and I thought —like everyone here, I am sure—that next Tuesday's meeting would resume under his chairmanship.

Everyone knew him as a generous, conscientious and honest man in every respect, and particularly in politics. To what the Prime Minister said a moment ago, I merely wish to add that, while our late colleague had strong opinions, he always expressed them with great courtesy. To his widow and children, we offer our sincere condolences.

(Text):

Mr. F. E. Lennard (Wentworth): It is rather a coincidence, Mr. Speaker, that we should be seat mates because we attended Highfield school in Hamilton together over 50 years ago. We have always been the best of friends; in fact, we nearly always had lunch together in the building. All I can say at this time is that I have lost one of my best friends.

Mr. Speaker: Is it the wish of the house to adopt the suggestion of the Right Hon. Prime Minister (Mr. Diefenbaker) that we adjourn our proceedings for the rest of this day in respect for the memory of our colleague?

Some hon. Members: Agreed.

At 4.12 p.m. the house adjourned, without question put.

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 PENITENTIARY—REPRESENTATIONS RESPECTING INMATES

Question No. 342—**Mr. Howard:**

1. For each year since January 1, 1957, have any representations been made to the federal government thereof, relating to any inmate in the British Columbia penitentiary, with respect to (a) amnesty; (b) pardon; (c) parole; (d) remission?

2. If so, and with respect to each inmate, what were, (a) the names and addresses of those persons or organizations who made such representations; (b) the names of the inmates upon whose behalf such representations were made; (c) the names and addresses, where known, of the solicitors representing each such inmate; (d) the disposition of each such representation?

Answer by: **Hon. E. D. Fulton (Minister of Justice):**

1. Many representations dealing with amnesty, pardon, parole or remission have been received concerning inmates in the British Columbia penitentiary during the period mentioned in the question.

2. This question relates to the exercise of the prerogative of mercy and, as explained in the report of the House of Commons debates at page 3444 on May 2, 1960 and at page 3775 on May 11, 1960, it has always been a recognized principle that because of the confidential nature of these exchanges and because of the subject matter with which they deal, such information should not be given.

C.N.R. TIE PURCHASES, ATLANTIC REGION

Question No. 357—**Mr. Tucker:**

1. Are railway ties for the use of the Canadian National Railways in the Atlantic provinces procured in that part of the province of Quebec which is in the Atlantic region?

2. If so, in what quantities were such ties shipped into (a) New Brunswick; (b) Nova Scotia; (c) Newfoundland, in the calendar years 1958 and 1959?

3. Were ties of suitable quality not available in each of these provinces?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The management of Canadian National Railways advise as follows:

1. It is not the practice to purchase ties outside the Atlantic provinces for use in the Atlantic provinces. However, some ties cut in eastern Quebec are sent to New Brunswick for treating.

2 and 3. Not applicable.

EAST SHIP HARBOUR, N.S.—SHIPPING OPERATIONS

Question No. 366—**Mr. McWilliam:**

What ships operate regularly to and from the east Ship Harbour, Halifax county, Nova Scotia?

Answer by: **Hon. George H. Hees (Minister of Transport):**

There is no regular shipping service operated to and from east Ship Harbour, Nova Scotia, but occasionally fish boats call at the wharf during the lobster season.

EAST SHIP HARBOUR, N.S.—WHARFINGER

Question No. 367—**Mr. McWilliam:**

Is a wharfinger employed for the east Ship Harbour, Halifax county, Nova Scotia?

Answer by: **Hon. George H. Hees (Minister of Transport):**

No.

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

DEPARTMENT OF AGRICULTURE

24. Grants to agricultural organizations as detailed in the estimates, $239,250.

25. Quality premiums on high grade hog carcasses and administration costs, $7,340,000.

Plant products division—

26. Operation and maintenance including seeds, feeds, fertilizers, insecticides and fungicides control, $1,906,909.

27. Freight assistance on western feed grains, $21,000,000.

28. Agricultural lime assistance, $1,200,000.

29. Plant protection division, $1,079,622.

30. Poultry division, $1,123,265.

APPENDIX

CANADA-U.S. INTERPARLIAMENTARY GROUP—REPORT OF SECOND AND THIRD MEETINGS

REPORT

of

THE SECOND AND THIRD MEETINGS

of the

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The report of the first meeting of the Canada-United States interparliamentary group, which was an organizational meeting, held in Washington on January 9 and 10, 1959, will be found as an appendix to the debates of the Senate for April 30, 1959, page 544 and as an appendix to the debates of the House of Commons for May 1, 1959, at page 3272. Since then the group has had two formal meetings, the first in June, 1959 in Montreal and Ottawa, and the second in April, 1960 in Washington.

The Canadian delegation now has pleasure in reporting on these last two meetings. As will be seen the business meetings of the group consisted of plenary sessions and meetings in three subcommittees, one dealing with defence, defence production and disarmament; another with trade and economic affairs and the third with boundary matters.

The Canadian delegates wish to record their appreciation of the cordiality of the reception given them by their colleagues of the United States congress and the generous hospitality shown to the Canadian parliamentarians and their wives.

The Report of the Second Meeting of the Canada-United States Interparliamentary Group—Montreal-Ottawa June 25-27, 1959

A full meeting of the group was convened in Montreal on June 25, 1959, for which the following program has been prepared:

Thursday, June 25

12:00 Noon—Opening plenary session

3:00 P.M.—Simultaneous meetings of committees as follows:

(a) Committee 1 (defence and defence production)

(b) Committee 2 (trade and economic affairs)

(c) Committee 3 (boundary waters)

7:30 P.M.—Formal dinner for delegates as guests of the Secretary of State for External Affairs and Mrs. Howard Green.

Friday, June 26

11:00 A.M.—Official opening ceremonies of St. Lawrence seaway.

1:00 P.M.—Informal luncheon for delegates as guests of Senator George Aiken and Congressman Edna F. Kelly—joint chairmen of the United States delegation.

3:30 P.M.—Simultaneous meetings of the 3 committees.

8:00 P.M.—Buffet dinner as guests of the Prime Minister of Canada and Mrs. Diefenbaker.

Saturday, June 27

9-10 A.M.—Delegations leave Montreal by train for Ottawa.

12:30 P.M.—Luncheon for delegates as guests of the Speaker of the Senate and the Speaker of the House of Commons.

3:00 P.M.—Final plenary session for the presentation of reports.

5:00 P.M.—Joint chairmen meet the press and distribute the communique (copy attached).

8:00 P.M.—Buffet dinner as guests of His Excellency, the Ambassador of the United States and Mrs. Richard B. Wigglesworth.

At the plenary session on June 25, the agenda and the allocation of participating legislators on the three committees were approved. The committees were composed of the following legislators:

Committee 1—Defence and defence production

United States delegation	*Canadian delegation*
Senator Theodore F. Green	Hon. Mark R. Drouin (Chairman)
Senator George D. Aiken (Associate Chairman)	Senator Florence E. Inman
Senator Dennis Chavez	Senator Gustave Monette
Senator Francis Case	Miss Margaret Aitken
Rep. Edna F. Kelly (Associate Chairman)	Mr. William Creaghan
Rep. Chester E. Morrow	Hon. P. T. Hellyer
Rep. Gerald R. Ford	Mr. Paul Martineau
Rep. Leonor R. Sullivan	Mr. G. Roberge

Committee 2—Trade and economic affairs

United States delegation	*Canadian delegation*
Senator Wayne Morse (Associate Chairman)	Hon. Roland Michener (Chairman)
Senator Frank Carlson	Senator Norman P. Lambert
Rep. Harold D. Cooley	Senator W. R. Brunt
Rep. W. N. Aspinall	Mr. Hazen R. Argue
Rep. Frank Ikard	Mr. A. A. Macnaughton
Rep. Walter A. Judd (Associate Chairman)	Mr. G. R Muir
Rep. Joseph W. Barr	Mr. A. R. Smith
Rep. Byron L. Johnson	Mr. R. D. Thrasher

Committee 3—Boundary waters

United States delegation	*Canadian delegation*
Senator Hubert N. Humphrey (Associate Chairman)	Mr. Erik Nielsen (Chairman)
Senator Frank Church	Hon. Lionel Chevrier
Senator Edmund S. Muskie	Senator Sydney J. Smith
Senator Winston L. Prouty	Mr. R. A. Bell
Rep. Frank Coffin (Associate Chairman)	Mr. L. R. Crouse
Rep. Thaddeus J. Dulski	Mr. Egan Chambers
Rep. Sidney R. Yates	Mr. A. Denis
Rep. Russell V. Mack	Mr. H. C. McQuillan

The second plenary session, held in Ottawa on June 27 was convened in order to hear the reports that had been prepared by each of the committees. It was agreed that these reports should not be made public in the form presented but that their substance might be embodied in the reports which the delegations might wish to present to their respective legislative bodies. After hearing the reports the delegates made suggestions for suitable agenda topics for consideration at future meetings of the group. Included amongst these suggestions were the following:

(1) Obstacles to international trade.

(2) Problems of agricultural surpluses (especially wheat).

(3) The tourist trade and ways to increase it.

(4) The Canada-United States air agreement.

(5) United States investments in Canada.

(6) Corridor through the Alaska Panhandle.

(7) Canada-United States development of the Yukon river.

(8) The Alaska international rail and highway commission.

It was generally agreed that the three committees on defence, trade and economic affairs and boundary waters should be retained for such future meetings.

Following are digests of the three reports:

Committee 1: Defence and defence production

A broad measure of agreement was reached between the Canadian and United States delegations on basic defence policies and on measures for implementation. It was conceded however that because of the unique degree of interdependence between Canada and the United States in the defence field, there was a likelihood that bilateral problems not shared by other members of the free world alliance would arise and would require special solutions. The special nature of these defence relationships also led the delegations to conclude that there was a

need for Canadian and United States legislators to exchange views regularly on problems of common concern in this field so as to be able to discharge more effectively their respective responsibilities relating to continental defence; the forum provided by the interparliamentary group was considered as eminently suited to accomplish this purpose.

The desirability of using Canadian engineering skills in industrial capacity in defence production to the greatest degree practicable was emphasized by the Canadian delegation. The suggestion was made that visits by the interparliamentary group to defence production facilities in Canada might be considered as a worth-while project for the future. The Canadian delegation also emphasized that the plans for integrating the defence forces must be accompanied by a comparable sharing of the related industrial effort. While recognizing the validity of this point, the United States delegation intimated that the implementation of such a policy must of necessity be subject to numerous practical considerations.

The committee also considered matters relating to the storage of nuclear warheads, the stationing of U.S. troops in Canada and the development of communications between Alaska and continental United States.

The committee agreed that because of the special nature of the Canada-United States defence effort, the continuation of an interparliamentary group committee to consider these matters was of the utmost importance and that at least some continuity of membership should, if at all possible, be preserved.

Committee 2: Trade and economic affairs

Canadian-United States trade problems were considered against the background of Canada's current trade deficit with the United States, the offsetting inflow of capital, the pattern of United States investment in Canada (largely in basic resource industries), Canada's high degree of dependence on foreign trade, and the economic implications of the concept of an integrated North American defence policy, all of which were considered as having a special bearing on internationally accepted trade rules and the general agreement on tariffs and trade.

Oil

The Canadian delegation expressed satisfaction at the United States decision, announced on April 30, 1959, to exempt Canada from mandatory controls on the import of oil effective June 1, 1959. Concern was none the less felt by the Canadian group that the controls on Canadian oil imports might be reimposed; it was emphasized that in the interest of continental economic stability, Canadian crude must be free to move in the United States market wherever it is able to compete on the basis of price and other economic considerations. It was generally agreed that the oil problem should be considered on a continental basis.

Natural gas

Administrative delays in processing applications were considered as worthy of special attention. A suggestion was made that, in promoting co-operation between the federal power commission and the newly established national energy board, consideration be given to admitting as evidence before the F.P.C. briefs already presented to and accepted by the N.E.B.

Uranium

Current overproduction of uranium was recognized as a basic problem for this commodity. The importance of maintaining the productive capacity of economically efficient Canadian mines was particularly stressed and, in this connection, the Canadian delegation expressed the hope that the United States would continue to buy substantial quantities of Canadian uranium once the present long term contracts had expired in 1962-63. The United States delegation offered the counter suggestion that a solution to this serious problem might be found in sealing down deliveries under present contracts so as to extend the productive life of existing mines. It was recognized that uranium marketing presented very serious problems.

Lead and zinc

The difficulties facing the producers of lead and zinc in both Canada and the United States were discussed in considerable detail. The Canadian delegation represented that United States restrictions on the importation of lead and zinc were contrary to the obligations set down in GATT. On the United States side, the suggestion was made that an alternative method of dealing with this important sector of the economy might be a combination of production subsidies and a mandatory increase in tariff.

The committee agreed that problems connected with the production and marketing of lead and zinc deserved to be considered on a continental basis and from a long term point of view.

Copper

The Canadian delegation expressed concern at the possibility that United States import controls might be introduced and also

that the copper market might be adversely affected by sales from the United States, strategic stock piles. The United States delegation indicated that there was little likelihood that copper would be released from the strategic stock pile since there would be no substantial economic advantage to the United States in doing so.

Nickel, iron ore and aluminum

Canadian members expressed concern at the effects on the nickel market of the entry into production of United States nickel mines in Cuba mentioning in particular the discrimination resulting from free entry of unrefined Cuban metal into the United States and the difficulty which this would present to the refined product processed in Canada which was subject to duty.

It was pointed out by the United States delegation that the opening of the St. Lawrence seaway would place Canadian iron ore in a favoured position in the U.S. market and that this would have beneficial effects on the development of industrial production on both sides of the border. It was recognized that the opening of the seaway was likely to have an adverse effect on the development of low-grade properties particularly in Minnesota.

Canadian members mentioned that Canada's aluminum industry was at present operating at 55 per cent of installed capacity whereas United States production was being maintained at between 85-90 per cent. It was suggested that the situation might be eased to some extent if the United States would buy fabricated Canadian aluminum products.

General consideration

It was recognized that Canada and the United States faced somewhat similar problems in the production and marketing of many minerals and that for a number of reasons these problems should be considered on a continental basis and from a long term point of view. Some consideration was given to the problem of effects on the world trading situation and developments, such as the European economic community. Marketing procedures adopted by the E.E.C. could conceivably point the way to dealing with marketing problems in North America. Some consideration was given to the possibilities of dealing with basic minerals on a hemispheric basis to include both North and South America.

Committee 3: Boundary waters

The committee considered that the term "boundary waters" was not sufficiently broad to cover the matters which could usefully be discussed in this committee. It was therefore suggested that the terms of reference for committee 3 be broadened so as to include all boundary matters such as communications, utilization and conservation of water resources, recreation, wilderness areas, etc. Arising out of the discussion in this committee, it was agreed that the resources represented by boundary waters should be conserved and utilized on a basis which would be fair to both countries and in such a manner as to confer maximum benefit on both countries.

In recognition of the power needs of the Columbia river basin, the committee expressed the hope that an early start could be made on developing the resources which the Columbia river has to offer so as to extend maximum benefits to the peoples of the two countries.

In considering the matter of pilotage on the great lakes, reference was made to the conflicting legislative proposals which had been introduced into the United States congress and the Canadian parliament. Concern was expressed at the prospect of unilateral legislative action being taken before discussions aimed at reconciling the divergent views had been concluded by the interested agencies of the two governments.

The committee noted that consultations had been proposed between Canada and the United States to consider the question of the effect of additional extractions of water from the great lakes basin and expressed the hope that these consultations would have beneficial results.

In view of the growing number of and perplexity of problems arising in the great lakes region as a result of the rapid growth in population, industrial development and seaway traffic, the committee suggested that the steering committee of the Canada-United States interparliamentary group collect all existing reports, studies and other data relating to the problems of pollution, recreation, conservation, power utilization, industrial location, port facilities and navigation and examine and evaluate the means available for assuring adequate coordination between the two countries in dealing with such problems.

It was recognized that the St. Lawrence seaway and the great lakes are likely to give rise to a number of issues and problems. It was considered desirable therefore that the means be available for defining issues, collecting relevant data and formulating opinions and constructive suggestions related to these matters. The steering committee was therefore urged to explore the adequacy of existing institutions and procedures established for dealing with these matters.

79951-0—269

The committee expressed interest in the economic feasibility study of the Passamaquoddy tidal power project which was due to be made public before the end of the year and expressed the hope that this study would indicate that mutual benefits would accrue to areas in both countries if the power could be made available. Mention was also made of the desirability of preserving a Minnesota wilderness area and of developing mutually beneficial power grids along the international border.

The committee recognized that some of the irritations that arise between Canada and the United States stem from fundamental differences between the two systems of government. Legislators were therefore urged to consult and seek advice from colleagues who had had the opportunity of participating in the Canada-United States interparliamentary group meetings.

The text of the communiqué issued in Ottawa on June 27, 1959, is attached.

Report of the Third Meeting of the Canada-United States Interparliamentary Group
Washington April 21st, 22nd, 1960

A full meeting of the group was convened in Washington on April 21, 1960. On the previous day the members of the group were guests of the New York stock exchange at a luncheon given in New York and the New York port authority at Idlewild airport. The following program had been prepared for the group:

Wednesday, April 20

11:45 a.m.—Visit to New York stock exchange
1:00 p.m.—Luncheon at stock exchange
3:00 p.m.—Guests of New York port authority at Idlewild airport
5:00 p.m.—Members of congress return to Washington
7:30 p.m.—Arrival in Washington

Thursday, April 21

10:00 a.m.—Plenary session
12:00 noon—Canadian members of group received on the floor of the United States Senate
12:30 p.m.—Senate luncheon, Old Supreme Court Room
3:00 p.m.—Committee meetings—
Defence committee
Economic problems committee
Boundary problems
6:00 p.m.—Canadian embassy reception

Friday, April 22

10:00 a.m.—Committee meetings
12:30 p.m.—House buffet luncheon
2:30 p.m.—Plenary session
5:00 p.m.—Press conference
7:30 p.m.—Senate-House dinner

Saturday, April 23

9:00 a.m.—Depart Andrews air force base, Washington
10:15 a.m.—Arrive Offutt air force base, Omaha
10:30 to 11:45 a.m.—Operations briefing
11:45 to 12:45 p.m.—Lunch, Omaha
12:45 to 1:30 p.m.—Plans briefing, Offutt air force base
1:30 to 2:30 p.m.—Discussion with General Thomas Power, commander, S.A.C.
4:00 p.m.—Depart Offutt air force base
4:30 p.m.—Arrive Peterson air force base, Colorado Springs
7:00 p.m.—Reception and dinner as guests of General Lawrence J. Kuter

Sunday, April 24

9:30 a.m.—Review honour guard
9:35 to 11:45 a.m.—NORAD briefing at Ent AFB
12:15 p.m.—Depart Peterson
6:30 p.m.—Arrive Ottawa, Uplands airport
7:30 p.m.—Depart Ottawa, Uplands airport
9:00 p.m.—Arrive Andrews air force base, Washington

The three committees were composed of the following legislators:

United States delegation	*Canadian delegation*
1. Defence Co-operation and disarmament	
Senator Henry M. Jackson, co-chairman	Senator Mark Drouin, Chairman
Senator Francis Case (South Dakota)	Senator Arthur Beaubien
Senator J. William Fulbright	Mr. William Anderson
Senator Warren G. Magnuson	Mr. J. Marcel Bourbonnais
Rep. Edna F. Kelly, co-chairman	Mr. George Halpenny
Rep. Gerald R. Ford, Jr.	Mr. Paul Hellyer
Rep. Chester E. Morrow	Mr. James McGrath
Rep. Leonor K. Sullivan	Mr. Gabriel Roberge
2. Trade and economic problems	
Senator Wayne Morse, co-chairman	Hon. Roland Michener, chairman
Senator El L. (Bob) Bartlett	Senator William R. Brunt
Senator Homer E. Capehart	Senator Thomas Leonard
Rep. Walter H. Judd, co-chairman	Mr. Armand Dumas
Rep. Wayne N. Aspinall	Mr. Hugh Horner
Rep. Frank Ikard	Mr. Alan Macnaughton
Rep. W. R. Poage	Mr. Louis-Joseph Pigeon
	Mr. Reynold Rapp
3. Boundary problems	
Senator George D. Aiken, co-chairman	Mr. Erik Nielsen, Chairman
Senator Frank Church	Senator Frederick Blois
Senator Mike Mansfield	Senator Sydney Smith
Senator Alexander Wiley	Mr. Herbert Herridge
*Rep. Frank M. Coffin	Mr. Russell Keays
Rep. Thaddeus J. Dulski	Mr. Herve Michaud
Rep. Cornelius E. Gallagher	Mr. Norman Spencer
Rep. Don L. Short	Mr. Robert Stewart

*Serving as alternate for Mr. Coffin

The group continued its procedures of having informal, off the record discussions and refrained from making recommendations, leaving it to each national delegation to make such reports and recommendations to its respective authorizing institutions as it determines.

The group met in plenary sessions on Thursday morning and Friday afternoon and held two sets of committee meetings on Thursday afternoon and Friday morning. At the first plenary session United States Secretary of State, Hon. Christian Herter welcomed the Canadian delegates and wished the meetings success. In the plenary sessions delegates from both countries laid stress on the necessity for the people of each country to learn more about the other. The suggestion was made that the education systems in the United States and Canada might well take account of this need.

Following are the reports of the three committees to the plenary meeting on Friday afternoon. The text of these reports were embodied in a communiqué released to the press on April 22.

79951-0—269½

The committee on defence and disarmament discussed certain aspects of defence policy, and the use of North American productive facilities for defence purposes, which have implications of mutual importance to the United States and Canada. The committee also discussed the prospects for disarmament and the need for planning that will facilitate an orderly transition from military production to production for peaceful purposes, including public works.

There was general agreement that while seeking with all vigor for an understanding with the communist bloc based on mutual trust and confidence, the west must maintain adequate defences until the Soviet camp accepts an inspection and control system of sufficient scope and efficiency to justify the commencement of active measures of disarmament.

The committee considered the changing character of the threat to North America and the effect of this on the operations of the North American air defence command (NORAD). It was recognized that in addition

to the military problems which will have to be faced during the next few years, the adoption of new weapons systems and concepts of defense will cause local economic readjustments which in some areas may be severe.

The committee noted that during the last year there had been considerable progress in the program of the defence production sharing between the United States and Canada. This was reflected in the fact that Canadian industry in 1959 received United States defence contracts valued at $96.3 million; it was noted, that Canadian defence equipment purchases in the United States in the same period amounted to $116.6 million. The Canadian members of the committee expressed the view that the progress achieved to date was in no small measure due to the consideration given to the problem by the interparliamentary group at its meeting in June, 1959. There was general agreement that a continuing effort was needed in both countries to achieve and maintain an adequate balance in defence purchasing between Canada and the United States.

The committee on trade and economic problems approved the following summary of its discussions—

1. Common trade problems especially with western Europe

The committee agreed that economic progress abroad and the changing pattern of trading relations in Europe were creating new opportunities and serious problems for Canada and the United States. It was recognized that the interests of our two countries diverged to some extent in the face of these developments, partly because of political considerations and partly because of the greater dependence of Canada on international trade and the narrower range of its exports.

The merits and demerits of solutions based on different methods of computing tariffs and of tax relief were briefly explored. No firm agreement was reached concerning the respective cases for the inner six and outer seven but a consensus did appear on the need for the United States and Canada to cooperate closely and to work toward new arrangements with their European allies on a North Atlantic basis.

2. Bilateral problems

(a) *The Canadian oil problem*

Attention was drawn to the difficulties being experienced in the Canadian oil industry (particularly in Alberta) due to lack of markets for increasing oil supplies. Canadian delegates described various possible solutions, notably that of increasing domestic consumption, recognizing that some of these have foreign policy implications. Reference was also made to recent issued Canadian regulations governing oil and gas exploration in the Yukon and Northwest Territories.

(b) *Metals and minerals*

The committee recognized the intimate and important relationship between United States and Canadian production and markets for such commodities as lead and zinc, aluminum, copper, nickel and uranium. A United States delegate described the depressed lead and zinc condition in his country and foresaw no significant change in conditions over the near future in respect of either production or importation.

The delegates then considered the uranium and aluminum situations. In view of recent developments, the discussion on uranium was mainly in terms of the prospects which might emerge in a few years time, which did not now appear very auspicious for producers. On the other hand, the outlook for aluminum was regarded as more promising.

A United States delegate drew general attention to the increasing significance of Latin American markets for both Canada and the United States, and to the implications of prospective competition from expanding Latin American production of commodities such as oil, gas, and iron ore.

(c) *Wheat*

There was considerable detailed discussion of the surplus wheat problem confronting both the United States and Canada. No new approach was advanced for the problem, and there was general agreement that current arrangements, unsatisfactory though they might be, were still the best available in the existing situation. Both delegations were anxious to ensure continuing close bilateral consultations in order to avoid damage to established foreign commercial markets; Canadian delegates expressed their gratification at the way in which this consultation had developed.

The committee on boundary problems.

The committee on boundary problems came to the following conclusions which were reported to the plenary session:

1. *Passamaquoddy tidal power project*

It is important to determine whether the Passamaquoddy project is economically feasible. Meanwhile, judgment should be reserved awaiting further studies by the international joint commission. The committee feels that this topic should be retained on its agenda.

2. *Hudson-Champlain-Richelieu waterway*

Now that the St. Lawrence seaway is in operation the two governments should consider referring to the international joint commission the question of the economic feasibility of further development of this waterway, taking into account the possible increase in trade between Canada and the United States which might result.

3. *Columbia river basin development*

The Canadians welcomed statements by United States delegates that no particular project of interest to the United States delegates should be allowed to stand in the way of a treaty on this subject based on the principle of optimum development of the Columbia river basin with mutual sharing of the benefits. Once this principle has been adopted by the two governments particular projects will fall into their appropriate order.

4. *Chicago diversion*

This subject was again thoroughly and vigorously discussed and no change of the positions of the respective delegates emerged. The Canadian delegation appreciates the waste disposal problem facing Chicago.

5. *Pollution in the great lakes*

Both delegations expressed concern about increasing pollution both from lake cities and shipping. It was agreed that it would be useful for the two governments to study remedial measures.

6. *Yukon-Alaska problems*

Canadian delegates expressed concern that a proposed high dam at Rampart, Alaska may prejudice maximum development for the benefit of both countries of the Yukon river power potential. Canadian delegates raised the questions of some form of free port facilities for Canada in the Alaska Panhandle and corridors across it. United States delegates suggested that additional information about these matters be furnished to them before the next meeting of the group and that they be placed on the agenda for the next meeting.

Following the meetings in Washington, the group toured the strategic air command headquarters in Omaha, Nebraska and NORAD headquarters in Colorado Springs. This tour enabled the Canadian delegates to obtain a fuller appreciation of the role being played by the two countries in the defence of North America and the free world.

The United States section of the group has been invited to Canada in August, 1960, for which time visits to certain industrial and mining areas are being planned.

In presenting these reports, which are mainly factual, the members of the Canadian delegation would like to express their conviction that these interparliamentary exchanges have been of great value, not only to those participating but to both countries in supplying a direct channel of communication and understanding between parliament and congress and an opportunity of developing personal friendships between members of the legislatures of the two countries. We are confident that the exchange is well worth continuing. We feel that it will be even more effective if the following recommendations are implemented:

(1) That continuity be preserved from one meeting to the next by ensuring that in a delegation of 24, from 9 to 12 of the members attending one meeting be appointed on the delegation to the next;

(2) That the personnel of the Canadian delegation be settled as early as possible in each session of parliament so that members may have ample opportunity to prepare themselves for the forthcoming meeting of the group;

(3) That a secretary be designated from an appropriate staff to work with the joint chairmen, to assist in planning of and preparation for the meetings and to give continuity to our proceedings;

(4) That the delegation favours a meeting in Ottawa while the Canadian parliament is in session.

We conclude by expressing our appreciation of the excellent assistance and staff work which the Canadian delegation has had from a number of senior officials in various departments of the Canadian government.

Dated at Ottawa the 24th day of May, 1960.

Joint Chairmen

Mark Drouin
Speaker of the Senate.

D. R. Michener,
Speaker of the House of Commons.

HOUSE OF COMMONS

Friday, May 27, 1960

The house met at 11 a.m.

VETERANS AFFAIRS

Second report of standing committee on veterans affairs—Mr. Montgomery.

IMMIGRATION

TABLING OF COPY OF OCCUPATIONAL COUNSELLING GUIDE

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The hon. member for Bonavista-Twillingate requested an up to date copy of the occupational counselling guide prepared for the use of the immigration branch of my department. I have furnished him with a copy, and I should like to table the latest copy of this guide at this time. The hon. member for Bonavista-Twillingate will recall that on an earlier occasion I tabled a copy of the guide in the house in response to a request made by him on June 25, 1958.

The occupational counselling guide is a monthly report compiled by immigration officers throughout Canada, providing factual information as to employment conditions in different parts of the country. As its name implies, it is used to advise prospective immigrants with various kinds of occupational skills and to assist them in deciding where to settle. The guide does not purport to list specific employment opportunities in the various localities but indicates simply that on the basis of the assessment made by experienced immigration officers in the areas concerned an immigrant with a particular occupation will be better able to settle in one locality than in another, and that even though there may not be an immediate opening in a given area for his specific occupation, the prospects there are generally good for his eventual settlement.

The occupational guide is compiled on a monthly basis and contains for each locality and each occupational classification one of three designations, the letter "G" indicating good prospects for establishment in a particular occupation in a particular area; the letter "L" indicating limited prospects for establishment of immigrants with a particular occupation in a particular area, and a blank space indicating little or no prospects.

I should perhaps add that while it is the immigration branch of my department which is responsible for the preparation and compilation of the guide, the material which is supplied for this purpose by our field immigration officers is obtained from many sources, including employers. Information is also available from local offices of the national employment service. We are continuing our efforts by every appropriate means to coordinate the information supplied in this way to our officers overseas.

REQUEST FOR FURTHER STATEMENT ON ILLEGAL ENTRY OF CHINESE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Citizenship and Immigration and ask whether the hon. lady has a statement to make on the Chinese situation.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I have nothing to report yet.

NATIONAL DEFENCE

NEWFOUNDLAND—REPORTED U.S. INTENTION TO ESTABLISH MISSILE LAUNCHING STATIONS

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of National Defence of which notice has been given.

Has the minister's attention been drawn to a report carried by a St. John's radio station yesterday to the effect that the United States government have decided to locate two Nike Hercules missile launching stations in Newfoundland? If so, would the minister comment?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, my attention was drawn to that report, and it is absolutely without any foundation at all. The United States cannot establish any sort of missile base in Newfoundland without obtaining the consent of the Canadian government, and that applies to the leased bases as well as to any other territory of the province of Newfoundland. No such application has been made to Canada.

Hon. L. B. Pearson (Leader of the Opposition): A supplementary question, Mr. Speaker. Has the minister just stated that the United States government cannot

establish a military base on the leased territory without the consent of this government?

Mr. Pearkes: According to the original agreements, Mr. Speaker, no major changes can be made in the armaments at the leased bases, so I am informed, without consultation with this government.

NEWFOUNDLAND—REPORTED CLOSING OF STATION AT STEPHENVILLE

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): A supplementary question, Mr. Speaker. The same televised news item contained a reference to the closing of the station at Stephenville. Is there any truth in that report?

Hon. G. R. Pearkes (Minister of National Defence): The base is not being closed, Mr. Speaker. There may be some reduction in the number of personnel.

Mr. J. A. McGrath (St. John's East): A further supplementary question, Mr. Speaker. Does the minister have any indication as to how substantial the reductions will be?

Mr. Pearkes: No, I could not tell the hon. member the exact number.

TRANSPORT

SALE OF PONIES ON SABLE ISLAND

On the orders of the day:

Mr. E. L. Morris (Halifax): Mr. Speaker, inasmuch as Sable island comes within the exclusive legislative authority of the parliament of Canada, and inasmuch as its inhabitants are my constituents under the Representation Act—

An hon. Member: Including the horses?

Mr. Morris: The horses do not vote, but they are not on any payroll either. In view of what I have said may I direct a question to the Minister of Transport. Would the minister give a public assurance now that should a sale of these ponies eventuate through the Crown Assets Disposal Corporation every attention will be paid with respect to their removal in a proper, humane way?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. After consultation with the Department of Agriculture my department considers that the Sable island ponies should be removed from the island in their own interest. Conditions on the island, including limited forage often covered with snow in the winter, and brackish water have left these animals with stunted growth. In severe winters they suffer hardship despite periodic attempts by the department to supplement their feed.

Accordingly the department asked Crown Assets Disposal Corporation to invite tenders for these animals. These bids are returnable on June 14, 1960. Bidders must undertake to remove these animals from the island under conditions laid down by the society for the prevention of cruelty to animals and the Department of Agriculture, and the regulations for the handling of horses and cattle at sea under the Canada Shipping Act.

Mr. Chevrier: They seemed to thrive under the former administration.

Mr. Hees: The hon. member should talk to them now. That is not what they tell us.

EXTERNAL AFFAIRS

TURKEY—REQUEST FOR STATEMENT ON OVERTHROW OF GOVERNMENT

On the orders of the day:

Mr. M. D. Morton (Davenport): May I direct a question to the Minister of Finance, who I understand is acting for the Secretary of State for External Affairs? Has he any statement to make with respect to affairs in Turkey?

Hon. Donald M. Fleming (Acting Secretary of State for External Affairs): Mr. Speaker, news reports this morning have indicated that the government of Turkey has been overthrown by the Turkish army in a bloodless revolt. This development took place during the night and as yet we have received little information. The Canadian ambassador in Ankara, Mr. Benjamin Rogers, has kept the government fully informed in recent weeks. I expect that word will be received from him very shortly on this new development.

While it is too early as yet to comment on the international implications of this development, it is encouraging that the leaders of the revolt have apparently affirmed their intention to uphold Turkey's obligations as a member of NATO, and that they propose to arrange for free elections.

The government as yet has no information to suggest that Canadian citizens or Canadian property in Turkey are in any danger. The house will, of course, be kept informed as reliable information is received. It is reassuring that the Turkish army has promised to ensure the safety and security of all foreigners in the country.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

32. Construction or acquisition of buildings, works, land and equipment, $16,422,810.

The Chairman: This item will be found on page 6 of the blue book and the details on page 120.

Mr. Regier: Under this item may we have a progress report on the South Saskatchewan river project? The expenditure of $11 million on an undertaking as large as this does not seem to be very much money. I am wondering whether we might have an explanation as to why the fereal government is spending only $11 million on this large undertaking?

Mr. Cardiff: This covers the amount of work contemplated this year; it will cover the amount of work under progress this year.

Mr. Regier: How much money is it estimated will be the federal government's contribution to this undertaking, and over what number of years is it planned to spread the work?

Mr. Cardiff: It will amount to about $72 million, spread over six or seven years.

Item agreed to.

33. Maritime Marshland Rehabilitation Act including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the province of Nova Scotia of the cost of the Annapolis river aboiteau-causeway project, $1,634,555.

Mr. Chevrier: Will the parliamentary secretary give some indication of the original cost of the aboiteau-causeway, and will he indicate the present position?

Mr. Cardiff: Will the hon. member tell me which one he wants?

Mr. Chevrier: Item 33, which reads:

Maritime Marshland Rehabilitation Act including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the province of Nova Scotia of the cost of the Annapolis river aboiteau-causeway project, $1,634,555.

I should like to know the estimate of the cost and what is the progress report at the present time. How much is Canada paying and how much is the province paying?

Mr. Cardiff: Canada pays about 74 per cent, and the total amount is $2¾ million.

Item agreed to.

34. Prairie Farm Assistance Act administration, $672,947.

Mr. Benidickson: Mr. Chairman, the parliamentary secretary is well aware that in some of the prairie provinces, if not in all three, assistance of the inspectors of the Prairie Farm Assistance Act administration has been utilized in connection with assessments for entitlement under the federal-provincial agreement for payment of assistance with respect to more than 50 per cent of crops unharvested last year after snow came prematurely. I think it would be appropriate to have some report as to the payments that have been sought so far by the provinces under the 50-50 arrangement.

Mr. Cardiff: I am told that these people only work part time, and that the total payment to the provinces by the federal government amounts to $4¾ million up to the end of the year.

Mr. Benidickson: That is half the amount that has been paid? What was the date of the reckoning; up to what date?

Mr. Cardiff: The end of 1959.

Mr. Benidickson: That would represent 50 per cent of the payments?

Mr. Cardiff: It is up to the first of April of this year, I am told. We pay 50 per cent of the total amount.

Mr. Benidickson: I am not clear. Was the total amount $4¾ million or does that represent half of the total amount?

Mr. Cardiff: It represents our half.

Mr. Regier: Can the parliamentary secretary advise us whether there are areas in Canada that still have to make contributions to the fund under this act, yet are not entitled to receive assistance in case of crop failure? I believe there were areas in the province of Manitoba where the people used to complain rather loudly that they had to make contributions to the fund yet were not entitled to receive any assistance.

Mr. Cardiff: I am told that they may pay in more than they receive, but as far as we know they are all eligible.

Mr. Regier: What happens in the case of areas that take advantage of the crop insurance legislation passed by the house last year? Are there areas in which the crop insurance scheme now applies and this measure no longer applies?

Mr. Cardiff: I can tell the hon. member that if they are not eligible for payment the 1 per cent is not deducted. There are at present four such areas in existence.

Mr. Regier: Are they all in the one region? Are they all in Manitoba?

Mr. Cardiff: All in Manitoba.

Mr. Regier: Are any plans being made in order that either Alberta or Saskatchewan may take advantage of the crop insurance legislation that we passed last year?

Mr. Cardiff: I am told that Saskatchewan have an act, but they have not put any plan into effect as yet.

Mr. Peters: I notice that the amount in connection with this item has gone up. Would the parliamentary secretary indicate where the increase occurred, and also in what areas? I should like to know in what areas the emergency assistance legislation passed last year eliminated the operation of this plan, which otherwise would have been in effect in those areas.

Mr. Cardiff: I am told the emergency legislation had no effect on that.

Mr. Regier: I understand that there is a certain area in Manitoba, or rather four areas now, that are implementing crop insurance, and therefore those areas will not be eligible under this particular vote. I wonder if the parliamentary secretary could indicate where the anticipated expenditures of the federal government can be found in connection with this crop insurance legislation. Are they included in these figures?

Mr. Cardiff: I am told it is only those farmers who take out insurance in those particular areas who will be affected.

Mr. Regier: As I recall the legislation which was passed last year it called for a contribution by the federal government, and I do not notice any item in the estimates for that purpose.

Mr. Cardiff: It is a statutory contribution and is not in the estimates.

Mr. Regier: Even if it were, those statutory items are also listed. Even though they do not carry a number they always carry the letter "S". I do not even notice a $1 item listed in the estimates for this particular purpose. I was wondering whether the government expects to have to spend any money this year.

Mr. Cardiff: Oh, we expect to have to make some expenditures this year, and they will be covered by the supplementary estimates.

Mr. Regier: In that case I should like to ask whether any consideration has been given to the many representations that were made last year, or to the expressions of opinion that are to be found in the newspapers, to the effect that the cost of this insurance to the Canadian farmer is excessive. Has the government given any consideration to raising its contribution to the cost in order to make possible a lower premium to the farmer? I believe the government must be disappointed in the lack of response so far to this crop insurance plan. I think one of the great stumbling blocks has been the high rates the individual farmers are asked to pay.

[Mr. Regier.]

Mr. Smallwood: On a point of order, Mr. Chairman, item 34 in the estimates covers the administration of the Prairie Farm Assistance Act. I cannot see where crop insurance comes in under this item, because there is nothing for crop insurance in item 34.

Mr. Regier: If I may speak on this point of order, this is the item where we have to discuss this because this item is affected by the extent to which the crop insurance legislation is instituted. The more farmers who come under the crop insurance legislation, the less the amount needed under this particular item. I would like a reply as to what consideration is being given by the government to increasing its contribution under this legislation, thereby encouraging more farmers to take a greater interest in the legislation which we passed last year.

Mr. Cardiff: I am told that under the act the premium rates are self-supporting, must be self-supporting.

Mr. Regier: Is any consideration being given to amending this legislation?

Mr. Cardiff: I cannot tell you whether there is or not. That is up to the house. This is only a trial period.

Mr. Peters: Would there not have to be in this item or in some other item in the estimates an amount to allow for administration costs?

Mr. Cardiff: The administrative costs are provided for by statute and will be in a supplementary item.

Mr. Peters: We have asked a number of times why in the main estimates there should be a $1 item, and we have always been told that the $1 was only a statutory requirement, to keep the statute alive, as it were. Why should there be a difference in this particular case?

Mr. Cardiff: We had no scheme in force when these estimates were figured out; it was not in operation.

Item agreed to.

The Chairman: This completes the estimates of the Department of Agriculture.

Mr. Cardiff: I would like to thank the committee for their co-operation.

POST OFFICE DEPARTMENT

304. Departmental administration, including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $1,926,670.

Mr. Denis: Mr. Chairman, I will ask the Postmaster General whether he has any statement to make before we discuss the different items.

Hon. W. M. Hamilton (Postmaster General): Mr. Chairman, while it may seem a sweeping statement, it is nevertheless true to say that never since confederation has it been possible for a postmaster general to record in one annual report, as I will today, such a wide range of new development and progress both internally and in service to the public.

Just a few of the more sweeping changes and developments of the past 12 months have been reorganization within the department and the creation of a comptroller's branch; new equipment developments in stamp vending machines, mail mobiles, delivery carts, plastic mail boxes; extension of service to the public through new letter carrier areas and rural mail routes; improvements in service to the public in fields such as parcel deliveries, the delivery of mail to apartment residents and an increase in accounting post offices; progress in our electronic sorting machine and other equipment; trials of a new mail flow system; new philatelic enterprises and an organized plan to promote interest in Canada in foreign countries by philatelic means; a project to make new stamps available as an aid in the teaching process in Canada; advances in our internal training techniques; improvement in staff relations through closer co-operation with employee associations; plans for a postal history museum; new regulations covering an important category of mail known as householder mail; statistical evidence of improvement in our service as demonstrated by a reduction in complaints received; and various other matters, some of which I will deal with in my report and others which I will not even have time to mention.

Mr. Denis: Take your time.

Mr. Hamilton (Notre Dame de Grace): As a result, this year at some 11,270 post offices from Newfoundland to British Columbia almost 50,000 postal employees will handle close to 4 billion pieces of mail originating in Canada more effectively than ever before and with greater satisfaction to the public. If these 4 billion pieces of mail produced by Canadians were laid end to end, they would stretch to the moon and almost back again. If stacked neatly in a pile they would tower as high as 500 Mount Everests.

Members have received a detailed printed report giving complete information on our activities for the year ending March 31, 1959, and I do not plan to repeat this information because it is already available to hon. members. For the fiscal year which ended March 31, 1960 the final and exact figures are not yet available; but I have estimates for the house which will reflect the growth of the department's activities. In the first place, over-all mail volume increased by 100 million pieces to 3.9 billion items. Our estimated revenue for the year just ended is $193.6 million compared to $183,381,000 in the year preceding. Our expenditures are estimated at $191.8 million for the year just ended compared with $183,554,000 for the previous year.

Thus, as against a slight loss of $173,142 for 1958-59, we anticipate an excess of revenue over expenditure of something in the nature of $1.7 million for the year just ended. This reflects again my desire that whenever possible post office revenues and expenditures should be kept in approximate balance. Since we were also faced during the past year with substantial increases in some of our costs, notably those in transportation, the results I have reported reflect prudent administration and good management.

So the committee may be fully informed on our unit costs of operation, with the permission of the committee I would like at this point to insert in *Hansard* a table showing the cost ascertainment figures of the department for 1958-59, which compares exactly with a similar table appearing in *Hansard* for March 7, 1957 at page 1986.

The Chairman: Does the committee give consent to have this table printed at this point of the proceedings in *Hansard*?

Some hon. Members: Agreed.

Mr. Hamilton (Notre Dame de Grace): I might say that I will send one over to the hon. member for St. Denis so he can have the information before him, and will not have to look for it in *Hansard*.

Mr. Winch: May we have one too?

Mr. Hamilton (Notre Dame de Grace): I will have another copy made for the hon. member and supply it to him later, Mr. Chairman.

[Editor's note: The table above referred to follows:]

COST ASCERTAINMENT—FISCAL YEAR 1958-59

Apportionment of total revenue, disbursements from revenue and appropriation expenditure over classes of mails and services based upon cost ascertainment tests made in May and September 1958

——	Volume pieces	Revenue cents per piece	Expenditure cents per piece	Profit cents per piece	Loss cents per piece
First class ordinary	1,943,798,566	5.185	3.358	1.827	—
Air mail—					
Domestic	844,443	80.982	63.317	17.665	—
Foreign	39,299,744	19.594	21.039	—	1.445
Parcel post	403,484	153.117	238.522	—	85.405
Second class—					
Transient	15,599,896	5.526	14.865	—	9.339
Publishers	531,148,886	1.165	5.249	—	4.084
Third class—					
Householder	294,261,801	1.561	1.548	.013	
Addressed circulars	823,694,834	2.177	1.994	.183	—
Fourth class—					
Domestic	87,056,506	23.962	24.825	—	.863
Registration	15,520,190	20.543	47.799	—	27.256
Special delivery	3,111,608	10.585	24.445	—	13.860
Insurance—					
Paid parcel	377,953	9.535	173.346	—	163.811
Money orders—					
Notched	18,656,397	18.482	21.000	—	2.518
Denominative	35,089,653	11.240	14.320	—	3.080

During the year we opened 28 revenue post offices to serve small rural communities, and 97 sub-post offices to give local service in urban centres. We also established two new staff post offices, two new postal stations and two new letter carrier depots. Finally, and reflecting a substantial improvement in the housing of our postal activities, we occupied 105 new federal buildings.

Proceeding with our program to streamline our internal organization, which last year saw the creation of our engineering and development branch, we have this year created a new comptroller's branch. This brings under the immediate direction of one senior official, a man of wide experience in accounting practices and postal problems, the internal accounting systems of the department, the operation and control over budgetary arrangements and our purchasing and stores operations. Improved control of these operations will result in a substantial increase in efficiency in these fields.

Canada has recently played a much more important part in the international postal sphere by reason of her position as vice president of the executive and liaison committee of the universal postal union, and in addition we have concentrated much attention on our postal relations with the United States. Currently we are studying revisions to a postal convention between our two countries, a revision which is long overdue.

[Mr. Hamilton (Notre Dame de Grace).]

Our country has proportionately an extremely large volume of international mail, and since much of this travels by air we have made many changes to improve this type of service. The advent of jet aircraft on international routes is beginning to make a tremendous impact on the speed with which mail travels. To cite but one example, by this fall it will be possible for mail to leave London, England at 3.05 p.m. local time and arrive in Vancouver, B.C., at 11.15 p.m. local time, using the regular T.C.A. services. This gives some idea of the possibilities we envision for mail handling and transport by air.

At home, widespread increases and improvements in service have been inaugurated. During the year, for instance, letter carrier delivery service was established for the first time in five communities; Alma, Quebec and Stoney Creek, Georgetown, Whitby and Elliot Lake, Ontario. A total of 29 new walks were established in these communities to serve some 13,523 calls.

In addition to these new services, 306 letter carrier walks were placed in operation during the year to permit the extension of service in other communities already enjoying letter carrier service. A total of some 154,604 new calls, including about 78,360 additional calls on established routes, were added in this way. Beyond these letter carrier services, some 8,353 families were afforded service through group mail boxes

pending the eventual provision of door to door mail delivery when postal requirements have been met.

To improve delivery service in rural areas we have inaugurated during the past year 89 new rural routes and have also made 1,006 extensions to such routes.

In order to improve service after regular post office hours we have expanded our program of installing, at strategic points across the country, government-owned postage stamp vending machines which give full face value in stamps for the money deposited. Five hundred new machines were placed in operation during the past year, bringing the total number owned by the department to 2,026.

In the same field we also have under development at the present time a stamp vending machine designed to meet somewhat less rugged conditions when it is installed inside post offices. Through the use of this machine we hope to avoid some of the pressure on our wicket sales and reduce the occasional line-ups which occur, thus ensuring even better service to the public. We are also developing a completely automatic model which will be actuated by the mere depositing of a coin, so the patron will not have to pull a plunger or exert any effort whatsoever. I guess this is the limit of automation, short of providing the public with the coins to put in the machines, and we have no plans for doing that at the moment.

To improve the postal services available in smaller communities in Canada we have considerably extended the number of accounting post offices because at these it is possible to buy money orders in larger denominations than at non-accounting offices. In 1957-58 we changed from non-accounting to accounting status 66 such offices; in 1958-59, 113 and in 1959-60, 169. Hon. members can see the tremendous increase in this field of activity.

Last year at this time I announced that the department had undertaken an experiment with a three-wheeled vehicle called a mailmobile for door to door mail delivery service in suburban areas. The original experiment was undertaken in British Columbia with a United States machine, and proved so successful that the original five machines have been augmented by a further 50 vehicles, including 15 which have been developed by a Canadian manufacturer. These are now undergoing extensive testing in other parts of the country.

We are now about to try yet another mobile piece of equipment; letter carrier delivery carts, to which I referred yesterday in answer to a question in the house. The best comparison I can offer for these are the two-wheeled carts which one sees so often on golf courses to carry the golf bag of players. There is some considerable doubt that these are going to work out, and we can foresee a number of problems in their use. None the less, they deserve a trial in accord with our present policy—and I think I can almost say our new policy under this administration—of constantly testing new ideas and equipment which appear to have merit.

Among the most commented on pieces of equipment we have introduced this year are the new plastic letter boxes being installed, one or two to a city, in most of the major centres across Canada. Their design is most attractive and has been widely commended by a number of people, including even Mr. Alan Jarvis in a press article on the subject. The plastic material, with the colour impregnated, requires little of the upkeep or repainting which is now a costly factor in connection with existing metal boxes. While it is still too early to completely assess their potential, the probability is they will be most successful, and if this is the case we will introduce them widely across Canada as the older boxes are retired.

We have made many improvements during the past year in our service to the public. For example, we have developed a new procedure for the handling of parcels which we are unable to deliver because the patron is not at home when we make the first call. Previously these had been returned to the local post office, and the only course of action open to the patron was to call for them. While this course of action is still open to patrons, they have the option now of having the item delivered a second time at a prearranged time for a fee of 25 cents. Our trial of this service has been so enthusiastically received that we will soon establish the system on a regular basis throughout Canada.

Another of the several adjustments we have made to improve service to the public concerns the delivery to individual residents of apartment buildings of mail matter requiring direct personal contract. In the past, in many such cases the letter carrier was only permitted to leave a card in the mail box notifying the patron that such items could be picked up at the post office. Now these items, including such things as registered mail, short paid articles, C.O.D. packages and items too large to fit in apartment mail boxes, are delivered by the letter carrier to individual residents of apartment buildings in the same manner as for individual houses.

One way in which we control the quality of our service is through a very careful

analysis of all the complaints we receive. It is a measure of our constant improvement that despite a steady increase in mail volume —and hon. members will recall that I said it had increased by 100 million pieces this year—the number of inquiries or complaints dropped by more than 10,000 in each of the past two years, so that while in 1957-58 we had 112 inquiries or complaints for every million pieces handled, this dropped to 106 in 1958-59 and to 101 in the past year.

We are still trying to improve, but it is getting harder when one realizes that we have already reached the point where only one one hundredth of one per cent of mail handled resulted in an inquiry or complaint, and that in many of these cases investigation revealed the complaint to be unfounded.

I am sure that some of my friends in this house will wish to ask me about robberies of post office vehicles and buildings, and to inquire as to what steps are being taken to safeguard the mails from depredations of this type. I would like to state that during the last two years or more we have built up a greatly increased security-mindedness on the part of postal employees at all levels. With the assistance of the Department of Public Works we have improved the security of our buildings and added to our protective equipment.

For comparative and statistical purposes within the department we list as losses by burglary the items on which we can place an accurate or approximately accurate monetary value, including cash, stamps, denominative money orders, and so on. The results of our efforts to reduce the loss attributable to burglaries are illustrated by the fact that we have reduced the net average loss per burglary from $1,262 in 1958-59 to $983 in the last fiscal year, and the total figure has dropped from $448,248 to $385,663.

However, it is important to realize that these loss figures for statistical purposes are actually greatly in excess of the loss to either the post office or the public treasury, because only the cash stolen is a complete loss. In many cases the postage stamps stolen cannot be disposed of by the thieves and are destroyed. In the case of money orders stolen, the picture is clear because they can be identified when they pass through the post office. In the last fiscal year, for example, denominative money orders having a potential value of $139,305 were stolen and included in the loss figures; on the other hand, the thieves succeeded in cashing only 20 of these at post offices and the total value thereof was only $201. In other words, a reported loss of $139,000 was in fact only a loss of $200.

[Mr. Hamilton (Notre Dame de Grace).]

More stringent regulations regarding the retention of cash in post offices have made possible the reduction of actual cash losses from an average of $84 per burglary in 1958-59 to an average of $70 in the last fiscal year.

Special attention has also been given to our methods of handling the dispatch of mail to ensure its protection in transit. In recent years, as you are aware, the railways have eliminated many of their trains and the post office has been forced more and more to resort to highway transport to deliver the mails swiftly and efficiently. Obviously the security problems of handling mail by truck are more complex than in hauling it by train. We have, however, recently developed new security measures for this purpose in co-operation with the Royal Canadian Mounted Police, the provincial police forces and the police staffs of the municipalities concerned. Unfortunately, to give details of these would merely provide information eagerly sought by prospective robbers and burglars, and I hope the committee and particularly the hon. member for St. Denis will not press me for such information. We cannot avoid every possibility of theft or of robbery on the highway, but in comparison with the general picture in this field throughout Canada our record is a favourable one, and reflects the results of the substantial efforts we are making.

Last year at this time I discussed developments in the electronic-mechanical mail sortation system presently being developed by the Canada post office and destined for operational testing in the Montreal post office later this year. This is now undergoing the final stages of modification at the plant of Canadair Limited.

While we have great hopes and expectations for this particular equipment, which has been under development by the Canadian post office for a number of years, we can have no certainty as to the results until it has undergone extensive trials in actual postal operation. I feel, however, that the advances we have made in this direction during the past 15 months, since placing the development contract with Canadair, have been substantially greater than would have been the case had we attempted to undertake this stage of the work within the Post Office Department itself as was contemplated by the previous administration.

To operate the machine during its test period we are going to need a staff of specially trained people, and we are now well advanced on the training of supervisors and operators in this field. Also under construction for us at the present time in the United Kingdom is a unit of equipment designed to

mechanize the first operations performed on mail when it reaches a post office. These include the separation of letters and parcels, the facing up so the addresses are all in the same relative position and the stamps in the same place, the cancelling of the stamps and the initial division of the mail into that for local delivery and that to be forwarded to other points. The new equipment will be installed in the Winnipeg post office, probably in the first half of 1961, for evaluation under Canadian conditions, and it will represent a major step forward in the modernization of our operations, since previously the only one of the several operations it undertakes which was done by machinery was the actual cancellation of the stamps themselves.

We are also testing in Toronto at the present time a new mail-flow system by which, when the time arrives for mail which has been sorted to be removed from the sorting cases and dispatched, an announcement is made over a loudspeaker system and the sorter merely removes the mail and puts it on a moving belt underneath his table. Previously a considerable amount of pedestrian traffic was required since the mail was picked up individually from each case.

Our studies are continuing on possible methods of applying electronic data processing to the issue of postal money orders at post office wickets, and to the audit of these money orders at headquarters. Since we handle over 50 million money orders a year this is a field of considerable interest to us.

I must emphasize again, as I do each year when discussing these developments, that the programs on which we are working are not designed, and will not be allowed, to throw existing full-time postal employees out of work. However, they will bring about more efficient handling of our ever increasing mail volume without corresponding increases in staff.

About two years ago, after studying the whole question of improving post office operation through mechanization, I told the house that I felt it would take about five years to develop, install and test under operating conditions the necessary equipment and another five years following that to extend its operation generally throughout the postal service to all points where it could be effectively used. I see no reason to depart from this timetable which takes into account, on the one hand, the need for these measures and, on the other, the necessity that they be introduced at a rate which will enable the department to adjust to the changes without dislocation of staff or hardship to anyone.

During the past year probably no aspect of the postal service received more widespread publicity than our householder mail service, the system under which an advertiser may mail printed matter to all the householders in a given area without being required to have it individually addressed or stamped. The operation of this system has posed an increasing problem for some time, and the department has received many requests from various sources to make adjustments in it. Not the least of these pressures was from within the postal service itself, where both high-ranking officers and letter carriers complained that the mass of unaddressed mail matter was causing difficulties in maintaining a proper mail service. Another source of complaint on this subject was mail patrons themselves, many of whom resent such unsolicited matter in their mail.

As a result of these and other approaches the department carried out a full study of the problem from all possible angles. The resulting changes, first announced a few weeks ago, go into effect June 1. They will restrict the size of householder mail items, forbid irregular shapes and penalize heavy, bulky items. Generally speaking the new regulations have met with widespread approval, while at the same time Canada's advertising associations have accepted them without criticism or complaint.

During the year the post office produced five commemorative stamps. The subjects covered were the NATO anniversary, the Associated Country Women of the World, the royal visit, the St. Lawrence seaway and the plains of Abraham. In connection with the last, I should like to note that this stamp was recently named, by a well known philatelic journal published in the United Kingdom, as the best commonwealth stamp of the year, and one of the ten best stamps of the year produced by any nation.

Another very popular innovation of the past year has been the introduction of special cards, each bearing a number of our commemorative postage stamps to a total value of 50 cents, with a short outline of the reason for the stamp and the importance of the subject to Canada on the back of the card. These have been phenomenally attractive to tourists.

I have frequently expressed the view that commemorative stamps are, in effect, small billboards of Canada. To make sure that these billboards receive the widest possible distribution and attention, we have recently adopted the practice of sending first day covers of new commemorative stamps to prominent people and newspaper editors in many lands. I believe the number is between 50 and 60. We enclose a brief explanation of the event the stamp commemorates and other information about the background of

the particular issue. We have also adopted the practice of distributing information folders on each new stamp to teachers responsible for selected age groups in Canada's public schools. This we are doing through the active co-operation of all ten provincial departments of education, and first results indicate that the program has been both effective and appreciated.

We are also going to have in our new postal headquarters building, when it is opened next year, a postal history museum, and planning is now under way for this purpose. This will enable us to take out from our vaults and display to the public a great deal of material of interest to stamp collectors as well as exhibits and displays of material and equipment of wide general interest.

Another area in which we are attempting to streamline operations is in our office services. Here we have engaged in an extensive program of personnel training, and have introduced a uniform file control procedure throughout the department. Considerable savings also accrued to the department through the application of the incentive pay plan for typists and stenographers. Until recently, while the Post Office Department engaged in a very extensive program of training courses for its personnel, each course was directly related in a detailed way to some phase of postal activity. Such courses are very necessary and very valuable, but they have one shortcoming; while they increase technical proficiency they do comparatively little to develop the broad managerial skill of those participating.

As we progress in our development of post office operations there is a constantly increasing number of positions opening in our service where these same management skills are required, areas where new problems are concerned involving an intermixture of personnel relations, operating techniques and service to the public. To meet this challenge I asked that a management development course for some of our fairly senior personnel be undertaken and the first two groups, one in Ottawa and the other in Calgary, recently completed their work. At the moment it is impossible to pin down statistically the results of such training efforts, but there is every indication that the courses are of substantial benefit and are broadening and increasing the management ability of those who participate.

In any organization as large as the Post Office Department the relations between management and staff are of critical importance. We do not expect the employee associations to see eye to eye with management on every matter, but I believe firmly that the more extended the discussions between the two groups, the more understanding and harmony there will be.

When I became Postmaster General such interchange of ideas was at a minimum. Today this has been substantially changed and there are regular full, free and frank discussions between management and the representatives of our staff associations on a wide variety of problems. We are not surrendering our right to make final decisions, and I have no intention of doing so; but now, unlike the past, before major decisions are made the views and observations of postal workers are taken into consideration, and this is a great help in arriving at the most satisfactory course for everybody concerned.

As a result of this and other changes I feel that staff relations within the department have improved substantially over the past three years, and one measure of this fact is the rate of turnover. Separations from the postal service continue at a level substantially below that of the civil service as a whole, and the rate for this year, in all categories, was 8 per cent.

During my term as Postmaster General I have had ample opportunity to study these men and women at their work. I have made a practice of dropping in unexpectedly and at odd hours of the day and night. I have been in offices at midnight; I have been in offices at 6 a.m., and I have been in offices at just about every interval between those two times. I never failed to be impressed with the employees' cheerfulness, their capability and their determination to do their work swiftly and well. I have found in the postal service a quality of devotion and integrity that is, perhaps, unusual in this day of materialism and mass production.

From the point of view of management, our changes and improvements in the past year add up to the most sweeping adjustment and development the Post Office Department has undergone since confederation. I have reviewed the reports of postmasters general for a number of years before 1957; none bristles as does the one I have just given with example after example of change, of adjustment, of improvement and of progress and, none the less, I have dealt with only some of our activities over the past year.

But mechanical equipment and advanced policies are not now, nor ever will be, the key to the operation of an efficient and successful postal service. The key to success is people, the 50,000 people who work at headquarters and in Canada's 11,500 post

offices; who drive courier trucks, walk letter carrier routes, ride our mail cars, operate our clerical services and, in more senior posts, direct postal activities generally. These are the men and the women who make Canada's postal service second to none in a field where service is a tradition and where that same tradition is very much alive.

(Translation):

Mr. Denis: Mr. Chairman, I think it is fitting that we express our satisfaction for the safe return of the Postmaster General (Mr. Hamilton) from his recent trip to France; this has given us an opportunity to hear the enlightening speech he has just delivered. However, we have no congratulations to offer him for his success in Paris. I am sure he was not piloting the plane, because he would not have come back on his own power. Apparently, he is unlucky, and every time he attempts some new venture, it seems doomed to failure.

His failure in France has much in common with his failure in his own department. How can you expect the Postmaster General to convince various countries to vote for Canada as the site of the world's fair, when surely they are aware that we have a money-losing and strangely run Post Office Department, where it is considered good business and sound economics and finance to report a deficit. Fortunately, he had a second group with him in France to share his failure. I understand he had with him the Associate Minister of National Defence (Mr. Sevigny), who played second fiddle, because even though French is the language spoken in France, the Postmaster General unfortunately did not want or did not see fit to let him play first fiddle. And that is why we heard no solo performance from the Associate Minister of National Defence. We listened very closely—

(Text):

I may observe that the minister has just made what I would call a jet statement, and has tried to prove that there is no disharmony in the Post Office Department. I note that he has said that everything that is good in the department is the responsibility of the head of the department. With respect to the routine orders, the regulations, and if there are so many men in the postal service in a certain area, because the population has increased, it has been found that this improvement is required. So far as government policy is concerned, the Postmaster General has said nothing about that. All he can be proud of and all he has told us about were the plastic boxes he has installed all over Canada. All he can be proud of is the experiments with mailmobiles. If I remember correctly, this experiment has been going on for two or three years. It is about time for the Postmaster General to decide whether we are going to have this kind of transportation in the postal service. It is time we knew whether we are to have the three-wheel scooter or the four-wheel scooter.

The Postmaster General thinks they have made a great advance in the postal service with these mailmobiles, but he did not say a word about their cost. He did not say a word about the origin of those scooters. He did not tell the committee whether those scooters could be bought in Canada in order to give work to our own citizens. As far as I can recall, those scooters are imported from the United States. I think the four-wheel scooter is imported from Italy or from some other foreign country, and some parts are brought here.

Anyway, all we can say is that we have no details about the cost of everything new brought out by the Postmaster General. We know nothing about the improvement of the electronic machines; we do not know how many kinds there are. We do not know the cost of each and every one of them. We are still, as some important persons said in another field—

(Translation):

We are groping in the fog towards the unknown. I must conclude, from the very start of his remarks, that we have in Canada now, the most expensive Postmaster General since confederation and the Post Office Department with the steadiest record for operating in the red. If the minister thinks that this is the only right way to manage a department, I do not know what economy is, or what it is like to live according to one's means. It is all very well to make improvements in the Post Office Department provided one can afford to do so and so long as it does not prejudice this country's economy. If you look at those estimates and at what has been done in the past, you will see that the estimates of $132 million passed in 1957 under Liberal rule are now increased to $172 million which means a difference of more than $40 million.

May I also draw the chairman's attention to the fact that in 1959 returns were $10 million higher than in 1957.

Consequently, I think that the Postmaster General might at least have told us why he is unable to balance his department's budget, whereas in 1957, though we did not have the same returns, we nevertheless found a way to get a $5 million and even $10 million surplus. I wonder what would happen if all government departments wound up with deficits. I do not think he was of any help to the Minister of Finance in budgeting for $13 million surplus. It is not in the post office estimates that he made any savings because those estimates are, I believe, increased by $5.5 million or so. Now that is quite different from what happened in the past and I do not think that the minister is responsible for the progress or improvements he referred to. I think these were routine activity, the result of departmental decisions and if new services have been inaugurated in rural mail delivery and mail carrier work, it was due to increased population or points of call in those areas. Therefore, I believe that, instead of telling us about the achievements of his staff the minister might have recalled the promises he made when sitting in the opposition and which have not been fulfilled after he became Postmaster General.

Mr. Chairman, just to refresh the Postmaster General's memory, let me remind him of what he had to say in 1954, when he was sitting on this side of the house. I quote from page 1119 of *Hansard* for January 14, 1954:

> Summarizing what I have tried to set before the house today, may I say that, first, the government has used the post office to pile up huge surpluses in the past 20 years in direct contradiction of the policy of the Post Office Department in previous years.

I just wonder, Mr. Chairman, where the Postmaster General got that phrase "policy of the Post Office Department in previous years", according to which policy we have to have deficits. It is just beyond me, Mr. Chairman.

The minister went on to say:

> —second, the government, for reasons best known to itself, has forced the post office to subsidize the operation of Trans-Canada Air Lines in order that Trans-Canada Air Lines might show a profit:

Mr. Chairman, if you look at the Postmaster General's report, you find that T.C.A. is making more money today than at the time the Postmaster General, sitting in the opposition, denounced the payments made to T.C.A., suggested that those contracts were made secretly and that no information was available about them. What particulars are we getting today from the Postmaster General? None.

The present Postmaster General also made this statement:

> Third, the government, through excessive use of the franking privilege by its various departments, is burdening the post office with costs of other departments.

Mr. Chairman, I ask the Postmaster General whether he has changed that method of administration. He has been heading the department for three years. Has he made the change he was advocating when he used to sit in the opposition? I doubt it. Not only do I doubt it, but the minister said in 1957 that the then postmaster general was misrepresenting the revenue and expenditures of his department because the lands, buildings and equipment which were supplied by the Department of Public Works should have been included in the statement of profits and loss of the Post Office Department.

Has the Postmaster General changed this accounting system? I do not think he has. He even went further at that time when he said:

> Fourth, users of first class mail are thus forced to pay more than their share of their services in order to subsidize losses suffered on other classes of mail which are quite legitimate, but which should be properly charged to the general revenue of government.

I think he was comparing first class mail with third class mail. Is the loss resulting from third class mail now entered under general government expenditures? I do not think so, Mr. Chairman. Therefore, what the Postmaster General then considered black he now finds white.

We also remember that he was opposed to higher postage rates. Have postage rates changed since the Postmaster General has been heading the Post Office Department? I do not think so. Indeed he now seems opposed to anything that could yield profits. As I said a moment ago, his department shows an increase in revenue of $16 million, and the minister tells us: "We only have a small deficit of $173,000". If, at least, the situation of the civil servants in his department had been improved.

We heard him a moment ago tell us about the good relations between himself and his officials. Now I have proof to the contrary. He stated that they are more and more satisfied with their positions. If the minister entertains that idea, I shall tell him that he has been at the head of the department for the past three years, but when the general election comes around, postal employees will know better days.

The minister spoke about the civil service commission. You wonder whether

people are pleased? It is a well-known fact that, throughout the country, civil servants, letter carriers, postal employees, are dissatisfied with the little concern shown for their claims and requests.

Having said that, I want to quote a statement from the 1957 *Hansard,* pages 1983—4, when hon. members of this government were on the opposition benches:

> Has the minister ever made any recommendation to the civil service commission to point out the situation and the outcome which I think he will agree is peculiar to his department? Has he ever made any attempt to have the situation straightened out?

There is also that other statement, on page 2744 of *Hansard* dated July 26, 1958:

> The hon. member for St. Denis suggested we should retain files of people who apply for work in the Post Office Department. I would however point out to him that this is entirely the responsibility of the civil service commission. They recruit people and we are not in a position to do their work in any respect.

That amounts to saying that everything connected with the salaries and working conditions of postal employees is the responsibility of the civil service commission.

When the minister was sitting in the opposition, he used to complain that the morale of postal employees was rather low, and I quote what he said—because it is important that we understand what happened in the past and what is happening today. This is from page 7532 of *Hansard* for August 13, 1956:

> No company organization and no government organization can operate successfully for very long if their employees do not have a high level of morale. When one reads the publication of the post office employees themselves and when one hears from time to time through the press of certain happenings across the country, one is led to wonder whether actually the morale among the staff of the post office in its entirety is as high as it should be. I rather doubt that it is. For that condition I lay the responsibility at the door of the government because of situations such as the one I outlined to you a few moments ago.

If we compare the morale of postal employees today with that prevailing at the time, we note there is a great difference; so I say that the minister now doubly deserves the criticism he was making as a private member. That criticism I take pleasure in returning to him, and I ask him, in turn, to try to improve the working conditions of the employees and to satisfy their requests.

For the last year or so, newspapers have been filled with criticism and protests from postal employees, and the minister's reply is always the same: "This is a matter for the civil service commission."

Here is another article:

> We are overloaded with parcels, but our salary is frozen.

Another heading:

> Postal salaries inadequate.

In another paper a heading says this:

> Postal employees' reply to Mr. Fleming's refusal.

A meeting of the association which represents more than 15,000 members:

> Unions Promised Support for Postie Salary Bid. Mr. Diefenbaker will consider letter carrier demands.

Having met, the postal employees association sent an invitation to the minister himself who did not answer and did not even attend the various gatherings that were held over the past year by these people in order to submit their grievances to the minister and to the department.

Here are other headings from the Ottawa *Citizen*:

> 300 letter carriers from Montreal and Ottawa—
> Postal employees meet in Ottawa—
> Postal employees voice protests—
> 1000 letter carriers join in protest against government—

I could go on quoting them by the scores. What is going on?

The only advantage gained by postal employees since the present government's assumption of office was due to a decision reached by the Liberal government before the Conservative government took over. Since then, there have been crumbs granted by the Minister of Finance: 50,000 civil servants out of a total of 130,000, got raises.

Furthermore, the raises are not even retroactive. That is unfair to the group of civil servants who have not yet got a raise. I ask the Postmaster General, who is here, how many people in his department have received the raise granted by the Minister of Finance?

It would be interesting to know whether the Postmaster General has been working in the interest of his staff, in the interest of his own civil servants.

I think the people have a right to know how many postal employees are included in the figure of 50,000 mentioned by the Minister of Finance.

I turn now to the matter of travelling expenses. We all know the minister is a great traveller, that he likes to learn about things, and to try his luck in various places. We have had proof of this in the case of the world's fair. I wonder whether some savings might not be effected with regard to travelling expenses.

The minister will recall that, when he was in the opposition, he was scandalized because the Post Office Department showed an amount of $100,000 for travelling expenses. I am sorry I have to tell him this, but if we compare travelling expenses in 1957 with the current figure for his department, we find that in 1957 they amounted to $367,140, while in 1959 they reached $507,000. And the amount estimated for 1961 is $487,000.

On telegrams and telephone calls, in 1957 the government spent $129,500; in 1960-1961 the estimates amount to $154,000, that is $25,000 more.

The minister is fond of publicity; he advertises all over the place: "Mail early", "Mail often", well, instead of gadding about, he should write; he would be saving money; let him heed his own publicity. If it is as good as he claims it is, why doesn't he use it himself? His trip to Paris would have cost him 10 cents instead of some larger amount that I am not aware of. Let him write letters.

Of course, he probably does not dare to write. In view of the criticism he has received about the poor design of stamps he has been issuing, maybe he is afraid of that kind of publicity. At any rate, I suggest that he use the mail more often, rather than the telephone or telegraph.

I suggest that he write often and early.

Usually, when we use the telephone or telegraph, it is because we have not foreseen what could happen.

For instance, when I telephone home it is because I forgot something. If I send a telegram, it is because the situation is urgent, and I have not foreseen what could happen. Therefore, the amounts of money spent for telephone calls and telegrams are expenses that could be cut substantially, which might help the Minister of Finance achieve a surplus next year. The latter could perhaps rely on the Postmaster General to do so.

As regards correspondence, however, he has no complaint, because he is very satisfied with the way correspondence is being done in his department. He even took great stock in the compliment paid to him by the hon. member for Kootenay East (Mr. McFarlane), I believe, last year, to whom, according to the official record, he replied:

(Text):

This morning one hon. member was kind enough to congratulate us, and I am grateful to him—I think it was the hon. member for Kootenay East—upon the improvement in our correspondence. Part of this is the result of the emphasis being placed on adequate correspondence. There is a great interest in correspondence within the department, more so because most of this correspondence goes across my own desk. I, personally, was dissatisfied previously with the type of explanation and the type of reason which I was given by the minister. I felt, when I accepted this responsibility, I was going to do something to improve this and see that members got adequate, complete and satisfactory answers. I say here, Mr. Chairman, if any member, Liberal, Conservative, C.C.F., sitting in this house is not satisfied with the amount of information given in a letter from my office, he has only to ask and we will try to get him every piece of information for which he could possibly ask.

That is the declaration of the Postmaster General, but let us look at the facts.

(Translation):

As soon as he was appointed Postmaster General, he wrote to the hon. members in substance: "If you have business with the Post Office Department, I will tell you where to direct your inquiries. But, in the list of officials he sent out, there is no mention of the minister himself. He passes work along to others and, in order to quote exactly the minister's words, may I read the letter he sent to all the hon. members in June, 1958:

To all the members of parliament:

I have often heard that businessmen and even members of parliament have trouble, when in Ottawa, finding the location of some government agency, or a particular division or official they would like to get in touch with, either personally or over the telephone.

As you can see, Mr. Chairman, there is no reference to the minister himself.

During the last session, I learned that certain members would like to deal personally with some matter or problem concerning the postal service and to be able to communicate readily with the proper official with whom they wish to discuss the matter.

Mr. Chairman, I believe that the Postmaster General has been here long enough to know that when a member has a request to make on behalf of his constituents, it is the minister himself he has to see and not his minor officials or underlings. The minister should give these matters his personal attention, for he gets extra pay to administer his department and to hear the requests of electors which are made to him through their representatives. Besides, instead of referring the members to different officials, he should have simply told us this: "If you need my services, I am entirely at your disposal."

(Text):

Mr. Hamilton (Notre Dame de Grace): Would the hon. member permit a question at this point?

Mr. Denis: Yes.

Mr. Hamilton (Notre Dame de Grace): Would he then explain why he found it necessary to call up one of my subordinate officials three or four days ago to ask for certain information?

Mr. Denis: Because I am a member of the opposition and want to check on the compliments the minister says he deserves when he tells us that correspondence goes across his desk. I have here some other correspondence which I have received from the minister himself. It is dated August 11, 1959, and it is in these words, in French:

(Translation):

You probably remember that on June 22 last, in the House of Commons, you inquired about an envelope of printed matter—etc.

Now, Mr. Chairman, just to prove the efficiency of the correspondence and of services rendered by the Postmaster General, here is a letter dated August 11 in answer to a request I made to him on June 22. Therefore, after a period of two months, one can hardly say that the minister was very anxious to be of service to us.

And what is worse, Mr. Chairman, is that every time we receive letters from the Post Office Department they are marked "personal and confidential". Here is a letter in which I am given for the benefit of my voters, information which I cannot let them have, for the Postmaster General mentioned, right at the start, that this was "personal and confidential".

I have here another letter likewise marked "personal and confidential", with regard to some information I had sought for one of my voters. Well, Mr. Chairman, that man does not know the answer, and has not got the information he asked for because of the Postmaster General's mania for marking his letters "personal and confidential". You would think he is afraid of what he writes, and does not want his words to get around. As a matter of fact, I think he would probably be the happiest of men if *Hansard,* which contains his promises made in 1955 and 1956, was of a personal and confidential nature. I have here another letter, a letter of invitation—

The Chairman: I am sorry to have to interrupt the hon. member, but his time has expired.

Some hon. Members: Continue.

The Chairman: Does the committee agree that the hon. member should continue?

Some hon. Members: Yes.

Mr. Denis: Mr. Chairman, I thank hon. members for their courtesy in allowing me additional time. Their gesture will probably enable me to go to the heart of the matter and recall to some extent what is going on in the Post Office Department as compared to the way things were when the minister was only a private member.

With his habit of marking his letters "personal and confidential", the minister was good enough to invite me to the opening of a bridge. However, I was unable to attend, for fear of betraying the contents of that letter. I am also of the opinion that, like your humble servant, several hon. members know about this obsession of the Postmaster General's. To my mind, it is time we had at least one file concerning the Postmaster General, in which we might put information supplied by the minister and which we might pass along to the public. In fact, I shall take this opportunity of asking the minister if I may give my voters some information for which I asked on their behalf.

Mr. Chairman, all this is for the public relations division. I know that the Postmaster General is fond of publicity. In fact, I think he has been the most photographed Postmaster General since confederation. I have never seen him in public but he was accompanied by a photographer. I had the opportunity of accompanying him many times and I thank him for it. I felt very proud of it; and every time he asked me if I would be so kind as to have my picture taken with him I had no objection, but I think that his mania for publicity is exaggerated. As far as his department is concerned, I suggest that the public relations expenses apply more to the minister himself than to his department, and that this publicity angle is really carried too far.

For instance, why advertise that there is a Post Office Department in this country? Why publicize well known facts? There is no competition in this field. Everybody knows that to send a letter to some nearby city, one has only to use the mails. There is no need for all those publicity charges mentioned in the item now under review. To give you an example of the increase in departmental estimates, may I point out to the house that in 1957, publicity expenditures amounted to $207,500, while during the 1959-60 fiscal year, they reached $270,000, or an increase of

$63,000. I suggest that those publicity expenditures could be reduced without affecting the department's efficiency.

Mr. Chairman, I should like to turn to another subject which the minister was very fond of taking up when he was in the opposition; I refer to patronage. He used to complain that the Liberal government indulged in patronage, and he said that even for the hiring of extra staff for the Christmas rush, no recommendations should be made by members of parliament, and the selection of applicants should be left to the department itself. Here were his words, as recorded in *Hansard* for August 13, 1956:

> This is not the way to have the best possible government service. The best possible government service arises from allowing the departments freedom to choose their people without being influenced and without forcing applicants into obtaining recommendations from their members.

What has he done? He has set up a flying squad. I think he is fond of flights (robberies). I have asked him many questions about robberies that were committed, and heaven knows the department has not been too fortunate in that respect under his administration. He set up a so-called flying squad, which employs people regularly, on a part-time basis, people who are called on the telephone and asked to work at the post office. I asked him a certain question about that, and here is the reply I got from the minister:

(Text):

> If the term "flying squad" refers to casual part time employees, the answer is yes. These casual employees are women who are called for work when there are sudden increases in mail volume in order to avoid delays and the necessity of working regular staffs overtime. These casual employees are generally called by telephone two or three hours before their services are required and usually work only one or two days a week for three or four hours on each occasion, depending on the volume of mail to be processed.

(Translation):

However, we find there have been 68 appointments since the present government took office. Most of those appointments were based on recommendations from Conservative members now sitting in the house and who were not here before 1957. If, as he has indicated, those hirings had been made "prior to July 1957", how does he explain that the names of Monteith, Benoit Gonthier, Pierre Sevigny, Valade, etc. are on the list of people who recommended flying squads?

Mr. Hamilton (Notre Dame de Grace): There are names of Liberal members too.

Mr. Denis: Yes, but only as window dressing. In fact, the Postmaster General was kind enough to accept one, two, three, four and even five Liberal recommendations. But in view of his statement that people working for the Post Office Department should not be recommended by members of parliament, the minister's actions are contrary to what he preached when he was in the opposition. He told us those people worked three or four hours a day for two or three days a week. I have here a statement, which I got from a reliable source, to the effect that those people of the flying squad have worked 5 hours on April 27, 8 hours on April 29, 8 hours on May 2, 8 hours on May 3, and 8 hours on May 4. Therefore, when the minister says that those people worked a couple of days a week, two or three hours a day, I believe he is wrong and that he should see to it that the promises he made, when he was a private member, are fulfilled.

Those people take the place of casual employees, who have been hired for several years, perhaps also under recommendation of the minister, and who work but three or four hours each time, at the most; they are single women, or widows with or without children. The minister claims that those people are not interested because it is a temporary job. Now, these people, generally, work as casual employees because they need to work. They are widows, or elderly women who cannot get other jobs. If it is true that, from time to time, they change jobs, it is because they are not paid enough or because of their age or illness they have to quit.

I would say those flying squads are composed of people, most of the time recommended by the Conservatives, and that shows a disguised form of patronage. I would therefore ask him to have the matter looked into, in order that the regular employees, those who have passed their exams and who are on the waiting list may be treated more fairly. I respectfully submit that those flying squads set up by this government are causing an injustice to those who were successful in their examinations and who are waiting to be taken on the regular staff. We know that those people, if they are not called up for work during the year, after passing their exam, must take a new examination.

Therefore, people who are on those flying squads are filling jobs that could be filled by people who passed their test. So, these flying squads are detrimental to casual employees who have been working for years and who get employment for only three to

four hours at the most, while members of the flying squads, on the recommendation of our Conservative friends and the minister, get work for eight hours, not only once a week, but two or three times a week and even almost each day, as I indicated earlier.

I know that these casual employees are badly in need of work and that they would be glad to work six or seven hours a day; now they are told there is no more work for them. Here is what happens: their place is taken by those flying squads recommended by the Conservatives—

Mr. Hamilton (Notre Dame de Grace): And by the Liberals.

Mr. Denis: Yes, by one or two, to keep up appearances but the rest is made up of persons recommended by our Conservative friends from the province of Quebec.

Mr. Hamilton (Notre Dame de Grace): And by some Liberals like Pit Lessard, Jean Paul Deschatelets, J. G. Ratelle, Senator Jodoin, Gerard Loiselle, Azellus Denis, Guy Rouleau.

Mr. Denis: Naturally, the Postmaster General is intelligent, and has seen to it that two and even three friends of the Liberals are included in this list. But all those people have been hired with the mention "No recommendation". They certainly do not fall from heaven. Do you think for a moment that they have not been recommended by our friends? A phone call does not show on the file, and a letter marked "confidential" cannot be removed from the file. In fact, when the minister is asked about the recommendations in the files, the "personal and confidential" letters are not mentioned in the reports submitted to the house. If he has decided that there will be no patronage, there should not be any. In answer to a question asked by the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) who wanted to know—

(Text):

Have there been any transfers of post offices in Canada since the month of June, 1957?

The answer was yes. Do hon. members know what the number of transfers actually was? It was 2,541.

(Translation):

On this list, there are 78 dismissals. There are resignations by the hundreds, and I readily believe—although I have not figured them out—that at least 500 of those changes are due to the partisanship of this government.

Let's not hear any more about Grit patronage.

Mr. Ricard: Oh no.

Mr. English: How many have you dismissed?

Mr. Denis: Mr. Chairman, we had been having peace since the beginning of my remarks; we had not yet heard the hon. member for St. Hyacinthe-Bagot (Mr. Ricard), and we were satisfied.

For my part, I thought he had gone to St. Hyacinthe-Bagot, to indulge in provincial politics, to busy himself with the big three, two of them dead, and the other one dying.

The years 1930 to 1935 were years under the Bennett regime, which was extolled if not by the hon. member for St. Hyacinthe-Bagot, perhaps by his father or his predecessors. The hon. member for St. Hyacinthe-Bagot very seldom refers to Mr. Bennett; I think he would rather just forget about him—so as I was saying, the things that were done under the Bennett government between 1930 and 1935 are being copied 100 per cent by the present government, which means that the present government will last no longer than five years. Coming back to what I was saying, between 1930 and 1935, the Tory government made 832 changes in the Post Office Department. Therefore, before raising cries of patronage against the Liberals, the hon. member should follow his own advice instead of dishing it out to others.

In his remarks earlier today, the minister referred to thefts. Do you know, Mr. Chairman, how many thefts there have been? The minister is lucky that the amount of the thefts has declined, but wait till next year and you will see an increase in both the number and the amounts of thefts.

The minister gives out the number and the amounts of thefts only when they are comparatively light. When the amounts are more significant, the minister deals with them in terms of percentage or average; and when they are too high, he even divides them by three. He always says, for instance, that the average is less now than at the time of the Liberals.

I have here the report of the Postmaster General himself, giving us an idea of the number and amounts of those thefts. Everybody is aware of it, and the Canadian people are aware of it. But, when one is as clever as the Postmaster General, everything is translated in small percentages and Canadians are given averages and proportional figures as an answer.

We see in the Potsmaster General's report, the number of thefts, receivings, irregularities, forgeries, etc.

This is how the report reads. In 1957, the report mentions that there were 335 thefts and that the stolen amounts reached $110,500. In 1958, when we were already under the present administration, there were 355 thefts, and a stolen amount of $100,700.

Let me remind the house that the minister boasted last year that: "We had more thefts, but the amount of those thefts was much smaller".

Let us now look at the figures for 1959 in that respect. The number of thefts was 487. This is not the figure reported a few moments ago by the minister, when he said something that contradicts his own report. The number is 487.

Now, do you know the value of the stolen goods? It was $138,500, that is, an increase of $32,000 over 1957.

The minister cannot, therefore, contend that the amounts stolen were smaller. He even boasted that the then postmaster general was hiring thieves. Now, he will recall the recent robberies where employees themselves have stolen the contents of the trucks they were driving.

I think he might do well to read over again what he said on former occasions. He would be the happiest man in the world if the statements he made as a private member could be stamped "personal and confidential".

And what about the serious incidents that occurred recently? The latest important developments relate to the attitude shown by senior officials of his department who have been asking their subordinates to cheat—if I may use that word, which in fact is not too harsh —because in a circular, they instructed postmasters to accept as few American coins as possible, because at the bank, they would not get full value for it. As I say, they told the postmasters to accept as few U.S. coins as possible. Then they added, and I quote:

> And if you accept any, try to pass it on to customers—

—so that if there is any loss, it will be sustained by the customer, and not by the post office.

I see the minister shakes his head in denial. Let me read to him the circular on this point:

(Text):

> A problem has arisen because of the volume of United States coins in circulation which have been accepted at par and on which a discount is now being charged by banks.

[Mr. Denis.]

(Translation):

This is not what the minister said in the house, but it is what this circular states. And I continue:

(Text):

> In view of this, the inclusion of United States coins in deposits or remittances should be kept to a minimum.

(Translation):

The circular does not tell postmasters to refuse U.S. coins and to accept only Canadian money. It says: accept as little as possible.

I continue:

(Text):

> Wherever possible, United States coins accepted at post offices should be handed out as change to other patrons.

(Translation):

That is one way of getting rid of something likely to bring about a deficit of some sort, because when this circular was being distributed, the banks were charging a certain discount on American coins.

I suggest that this procedure is not honest nor fair to post office patrons and I think that the Postmaster General should chastise the person responsible for the distribution of this circular instead of congratulating and commending that person as he did recently in the house. May I call it one o'clock?

Mr. English: Mr. Chairman, although it is one o'clock, I think the house would give unanimous consent to allow the hon. member to go on with his remarks so as to complete his magnificent speech.

(Text):

The Chairman: Unless the hon. member makes that request I must call it one o'clock and leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

(Translation):

Mr. Denis: Mr. Chairman, I do not intend to take too much of the time of the house, because I understand it is the intention of the house to adopt the estimates of the Postmaster General as soon as possible. Although they are not encouraging, the minister enjoys such a majority in the house that, good or bad, his estimates will be adopted in any case.

Mr. Chairman, before recess, I was dealing with the achievements of the Postmaster General (Mr. Hamilton) who was boasting of achievements which belong exclusively to his subordinates and not to himself because, as far as the policy of the government is concerned, he will admit that to please the public and to say that such a policy has modernized and improved the situation, he must first say what that policy is.

When we hear the Postmaster General say he has ably administered his department, claiming he has had installed plastic letter boxes, I feel the people will not be content with such achievements, that they will rather want to know which promises he has now fulfilled that he made while sitting in the opposition. If the minister, who is intelligent, only thinks a little I doubt very much he will retain the confidence of his electors of Notre Dame de Grace, to whom he has so often promised two postal deliveries a day, and who have not yet obtained them after three years of administration.

I presume that at the time the minister did not expect to be appointed to that portfolio, and that the promises he was making had no importance whatever, because what was important for him was to be elected by making promises to his electors. However, I must pay him this tribute of having worked harder at getting elected than in running his department. In fact, as I said earlier, if he had tried as hard to get the world's fair for Canada as he did in getting elected, he would have started sooner and we could now be sure that the fair would be held in this country—

Mr. Ricard: It is only because he did not want to be out or order.

Mr. Denis: Earlier today, the minister made a series of statements, but I have just learned that the text of his speech was sent yesterday to the members of the press gallery. I have a copy here and I see that it is a word for word reproduction of the comments made in this house by the Postmaster General. That is why we heard him make his speech with such fluency and without any mistake. I don't mean to say that he read his speech, but on seeing that this is a word for word transcript, we are a little inclined to suspect he did. However, in view of the importance of his department, I forgive him for giving to the house the exact wording of a speech which will no doubt be carried in tonight's papers.

The only thing lacking is the minister's picture; but as he is so fond of publicity, I assume that every newspaper has a copy of it, either with a scooter or something else, and I feel sure he will be given all the publicity he has personally prepared.

Mr. Chairman, I was therefore discussing the details of the electronic machines he calls his own, and which were initiated by the former Liberal government.

I think the Postmaster General will recognize that long before his assumption of the office of Postmaster General, consideration had been given to installing electronic machines to improve the department's efficiency, with this difference that previously he used to describe those machines as monsters that did not work, and that the money voted for such experiments was between $700,000 and $1 million. Now today, Mr. Chairman, we no longer know how much money is being spent by the Post Office Department on this equipment. However, I am sure it is over $3 million. Furthermore, it has been three years since the Postmaster General took over his department and was placed in charge of that famous $700,000 monster. How much money has been spent on the monster? What expenditures were authorized by the present Postmaster General to determine whether the various rented electronic machines should be retained in Canada, or should be thrown out?

In his report, the Postmaster General took credit for developments in the department for which minor officials and departmental heads are wholly responsible. I dealt with that matter earlier and there is no need to come back to it. He did not say what the cost will be of the electronic equipment experiments, but we should like to know. Is the minister able to tell us how many electronic machines are now on trial in the department and how many of them were imported? Government members used to be shocked because those electronic machines were not put in permanent use. How can the minister explain after three years in charge of this department, that we still do not know how many machines will be installed permanently and how many are rented?

I see in the Postmaster General's report that not only are we interested in the installation of electronic machines, but that electronic machines are rented from abroad on a trial basis. In other words, British electronic machines are being tested not in England but here in Canada, and we are paying rather substantial amounts for the renting and testing of those machines. I refer

to Univac 120 which is imported from England and used here at a rental of $1,885 a month. I would like to know if a three-year period is not sufficient to decide if this electronic machine is to be accepted or if we should continue to rent it or buy it.

On the matter of departmental expenditures I would suggest to the minister that, as far as the rental of postal equipment is concerned, in 1956-57, at the time of the Liberal government, this expenditure was only $25,432, while in 1960 it will reach $97,750, that is an increase of about $75,000 a year.

Are we to continue to rent electronic equipment indefinitely, or are we finally going to instal them permanently?

The minister claims that this will not take the place of employees. And in a later statement he claims it will affect only those who are employed on a part-time basis. May I remind him that out of the 50,000 employees of his department, 28,000 are part-time employees. The minister has a habit of making statements one day that he hastily denies the next.

I would therefore ask him whether, when he shakes his head, he means no, or something else. As I was saying, over half the staff will be hit by automation. Will automation have any effect on Canada's 700,000 unemployed? Will applicants who passed examinations and are awaiting regular employment have to wait indefinitely because machines are taking their places? I think we should look twice before completely mechanizing the Post Office Department, and we should look into the cost, too. Never in the past has the Postmaster General revealed to the house the cost of the experiments conducted with those new electronic machines. We do not know, we are walking in a fog. We do not know whether those electronic machines cost millions, or whether they represent an economy for the postal service. I say to the minister that it is up to him to decide if experiments on this matter are to be suspended or if we shall keep on employing Canadian labour as usual until business revives and unemployment decreases.

I now come to another sort of mechanization, scooters. I know they are a sort of obsession with the minister, because he has often been photographed with a scooter.

Mr. Hamilton (Notre Dame de Grace): I think you are jealous.

Mr. Denis: No I am not jealous, I would rather see him in the newspapers than in person, because newspapers do not lie—whereas, in person, he is from time to time inclined to say things which are a bit removed from the truth, and from the things he advocated when he was sitting in the opposition. Now, Mr. Chairman, what do we know about the cost of those scooters? Do we know how many are being used? Have we been informed of the date when those tests with scooters will end?

He has made much of the fact he tried three-wheel and four-wheel scooters. But have we been told how much they cost? No. Garages are needed for these scooters. Those machines burn gas. We want to know whether postal employees require a driver's licence and who is paying for those licences. We want to know if a person who is hired as a letter-carrier has to have a driver's licence, etc. Those are details he should be giving us.

I wonder whether, instead of scooters, he has not also tried out ordinary tricycles, which are cheaper, easier to handle, and which would allow letter carriers to get closer to their points of call. Tricycles would also be easier to lock with a chain, for these scooters now in use remain in the street, motor running, and are liable to being stolen, as are other vehicles at the present time.

If the minister wants to make improvements, it would be a good idea, not only as he suggested himself but as was the practice when we had a well organized government to experiment with a cheaper method of mail delivery in suburban areas by having letter-carriers use bicycles. Then, he could tell us the cost of this experiment, and just when this service would be permanently provided in our country.

How many other promises did he make, Mr. Chairman, when he sat in the opposition, not with the intention of misleading the people but because he was convinced that such improvements were necessary. Then, why did he not carry them out?

I challenge the Postmaster General to tell me which of the promises he made while in the opposition have been fulfilled since he has taken office. There are none. Everyone remembers he wanted two deliveries a day. I remember the Postmaster General's question: When will we, in Notre Dame de Grace, have twice-daily mail deliveries? Will the people of his beautiful constituency of Notre Dame de Grace be favoured with two deliveries a day? I doubt it.

How can he come back before his people and say: I lied to you; I was wrong. I was

talking through my hat. I think I know how he will wriggle out of that one. Perhaps he has already thought of a way out.

There is one quality of his that I admire—he is a hard worker. He should apply his great skill for winning elections to running his department.

Furthermore, whenever he is designated to represent Canada abroad, for instance to determine where the world's fair is to be held, he should prepare for it in advance, so as not to be taken by surprise, and in that way he could produce results.

The minister spoke at length of the twice a day mail delivery, but he has no intention of having it written into the statutes of his department.

As far as stamps are concerned, I have dealt with the matter. Everybody knows what kind of stamps we have had these last few years. They have been criticized throughout the country. Yet, the minister cannot stand his stamps being criticized. He gives lectures, and those who do not like his stamps, just to quote his own words, are labelled "dry tongues".

But when you are dealing with someone who manages things like a school boy, who lacks seriousness, and takes the liberty of lectures on the way to stick a stamp, of making visits, and who introduces himself with the words: "I am a visitor, I am your Postmaster General, and I am pleased to come to Nova Scotia"; when you are dealing with a man who thinks himself a good Postmaster General in the eyes of the Canadian people, because he has set up plastic mail boxes, I think we are entitled to tell him that he himself is a joker.

When, in philatelic exhibitions, we find stamps commemorating ancient battles which took place in Canada, in 1700 and even in 1600, between the English and the French, when everybody is looking for peace, we can say, I think, that the choice is in bad taste and that the minister should be more discriminating.

Printing costs for those stamps should be lowered. I would point out to the minister that those printing costs are not acceptable and that there should be some attempt at saving in that field.

As a matter of fact, the government of which the minister is a member, follows an economic policy of deficits and a cut in printing costs for stamps is called for.

As a matter of fact, the Post Office Department spent $686,000, in 1956, whereas today, it is spending $927,000.

(Text):

Mr. Hamilton (Notre Dame de Grace): Because our stamps are so well designed and attractive.

(Translation):

Mr. Denis: No, Mr. Chairman, I was pointing out that the stamp itself has nothing to do with the printing cost, and if the minister wants to argue on the basis that the population is rising, I say it is a weak argument, Of course there are more people in Canada, as he says.

If he used postage meters to eliminate stamp printing costs, as suggested last week, I think he could save money.

Another promise had to do with postal savings banks. The postal banks have been competing with commercial banks. I think the Postmaster General will recall having stated that the former minister had no right to set up postal banks, because such a system competed with commercial banks and was unnecessary.

What did he do? Not only did he increase their number, but he encouraged that increase by raising the rate of interest payable to depositors.

Therefore, he did not abolish savings banks, but created more. There are 37 more. Either he was wrong at the time, or else he is wrong now.

Another promise made by the minister concerns the R.C.M.P., which was supposed to take over all security arrangements of the postal department.

Was that done, Mr. Chairman? No. Today, the minister says—and that is his reply—that the provincial police, in the various provinces, looks after the problem.

Now that problem existed at the time. When the minister was a private member he knew very well that there was such a thing as provincial police.

Why tell the people of Canada that if the Conservative government took office the R.C.M.P. would look after the security of the Post Office Department?

That is another promise which has not been fulfilled, another statement made by the minister to win an election. Nothing has been done since he has taken office.

I think the minister should mind his department more, as far as the policy of the government is concerned and I think he should not boast about routine matters that come exclusively under the jurisdiction of civil servants, to whom I should like once again to pay tribute. He should stop boast-

ing at the expense of his own officials, to whom he has refused salary increases and to whom he is now denying better working conditions.

Today, much is being said about obscene publications, about advertising sent out through the mail.

I have here a letter which the minister must have received—because it was addressed to him—from Mr. Dennison, a member of the board of control of the city of Toronto.

(Text):

—the controller, Mr. Dennison, from the city of Toronto, and I want to read part of it:

I enclose printed material together with money-back guarantee directed to me by mail, which has been described by the better business bureau as a "phony".

Then a little farther down:

I think the Canadian government should take steps comparable to those of the American government to prevent the use of the mails for this type of fraudulent advertising and promotion. This company should be required to prove the validity of their claims before they are permitted to use the mails as a means of extracting from Canadians hundreds of thousands of dollars through this fraudulent advertising campaign.

(Translation):

Did the minister do anything to prevent the Canadian people from being misled by advertisements that are more or less senseless and which are condemned by the Better Business Bureaux? It was a civic-minded individual who wrote the minister on this matter, namely, Mr. William Dennison, commissioner of the city of Toronto.

Mr. Chairman, it is not the responsibility of a Toronto commissioner to hear those complaints and to remedy the situation. It is the exclusive responsibility of the Postmaster General and he should inform us of the answer he gave to this controller so that the Post Office Department should not be used for the distribution of obscene literature and fraudulent advertising.

Mr. Chairman, I had promised the Postmaster General that he could go back home in peace after the adoption of his estimates. Besides, government members are in the majority in this house.

I conclude my remarks by saying that, during his three years at the helm of the Post Office Department, the minister has kept none of the dozens of promises he had made. In view of his administration, of his past statements and his present attitude, we could hold a Canadian fair right here, even if we did not succeed in his efforts to bring the world fair to Canada.

[Mr. Denis.]

So, I suggest that we could have a fair in this country to exhibit all the promises and achievements of the Postmaster General. For instance, we could have an exhibit showing the way to have a world fair. We could also have an exhibit of a "personal and confidential" correspondence system "à la Hamilton".

We could exhibit a collection of exclusive, unusual, bad and ill-designed stamps.

We could also have an exhibit showing the R.C.M.P. working for the Post Office Department.

We could have a chart of the Postmaster General's thrift, the ideal financial administration indicated by deficits. The Canadian postal service, haven of underpaid employees. The savings funds checked by the government. The $1 million electronic monster changed into a $3 million one.

We could also indicate the elimination of wastefulness, the controversial stamp issues, the increase of postal services by a decrease of post offices, because, since last year, 116 post offices have been shut down. The cutting down of thefts through their increase. The twice-daily delivery in Notre Dame de Grace. Patronage under the guise of flying squads. Conflict between the department's public relations and the minister's personal publicity. The smuggling of American coins. Letter carriers astride scooters.

Mr. Chairman, I ask once again that the minister reply to all the questions that we have put to him. We would like to know the details of government policy. We are not interested in knowing that his officials have done well because they are worthy of praise, but how the present Postmaster General, since his appointment to his important duties, has promoted the policy of that department, because we want to be better informed and learn something else than the mere fact that the government has installed plastic postal boxes throughout the country.

(Text):

Mr. Regier: Mr. Chairman, on behalf of the political group I represent I would like to pay our respects, our compliments and our commendations to all the many tens of thousands of Canadians who are concerned in all these services rendered to us by the post office. I should personally like to express my appreciation to the minister for the prompt manner in which he has always undertaken to look into and to investigate each and every complaint or recommendation that I have made during the past year. We would especially like to extend our best wishes to the

newly appointed parliamentary secretary and we hope that his able services are going to enable the minister to pay even closer attention to the representations that we make.

The post office, Mr. Chairman, is an institution that in the main we regard as one of the most efficient in the Dominion of Canada. It is accepted as a necessary publicly owned institution by all parties in this house. Before any institution can be successfully publicly owned there must be established in the hearts and minds of all employees of that institution a feeling of pride and also a feeling of ownership in the institution; otherwise you will not have efficiency at its maximum when such a large enterprise is owned by the taxpayers as a whole. We are very pleased to note that almost without exception the employees of our post office regard their work with a high level of pride and realize that they are rendering a very necessary and much appreciated public service.

I feel that on taking up the estimates of the Postmaster General there is absolutely no need for partisanship. It is an institution the need of which we all recognize, and I see no cause for a party spokesman aiming to take political advantage of whatever weaknesses arise from time to time, because the larger the institution, very often the larger are the weaknesses to be found.

I find it very hard, therefore, to agree with the minister's conclusion in his report this morning that postal services are getting hard to improve. I feel that this will likely never be the case and I think the minister is being unduly optimistic when he expects there is very little which can be done to improve postal services.

I should like to call the minister's attention in the first place to the financial aspect. We are not opposed to the post office operating at a loss if that is necessary. I notice that since the minister has become minister he has now reported an operating loss for each of two succeeding years. I also noticed his statement that he hoped that this year he would have, I believe he said, a miserable $1.7 million of revenue in excess of expenditure. We all hope that the minister's expectations will be realized but I hope it will not be at the expense of a raise in wages of the employees to enable this expectation to become reality.

However, I feel that much of the subsidization of the postal services is not correctly represented in that the operating report does not include the cost of buildings and the depreciation thereon, which cost is borne by the Department of Public Works. When the minister replies I wish he would supply us with an estimate of how much more this deficit would have been had his department had the financial responsibility of putting up the buildings, with their consequent depreciation and upkeep. I believe when he supplies that answer we will realize that our post office as a department has never really made money for the taxpayers of Canada but has always on balance been an expense.

We hope very much that the employees of the post office will not have to help the minister in his endeavours to arrive at a net profit for the year by being asked to work at below average wage levels. I believe one other hon. member intends to speak in more detail on this matter so I am going only to say this. The minister underlined in his report that in the postal department there has been the lowest turnover of personnel among all employees of any government department. I think that is what the hon. gentleman said. Thereby, I believe, he attempted to indicate that morale was at a relatively high level. It is my opinion that among all civil servants the employees of the Post Office Department have about the lowest morale.

In all the meetings held last year after that black announcement of the Minister of Finance regarding civil service wages, the most annoyed of all the civil servants and the ones most anxious to take aggressive action in order to pursue their demands were the employees of the minister's department, and I believe the same situation prevails now.

My main reason for speaking today is to do what I can, in my humble way, to persuade the minister of the truth of my contention that efficiency in business is not necessarily enhanced by enlarging its size. There is a fundamental law of economics referred to as the law of diminishing returns, and I believe that when a post office begins to serve more than, roughly, a population of 100,000 the point of maximum return has been reached. Thereafter, inefficiency begins to enter into the picture to a growing degree.

Ever since the end of the last war we have noticed a tendency for the officials responsible for administering the postal service in our larger urban areas to express a desire to take over post offices in the smaller communities around those urban areas, to absorb them. The minister mentioned in his report that more and more post offices have been opened within the last year. I notice, however, in his latest annual report, at page 31, that in Canada on March 31, 1958 there were in

operation 11,768 post offices. One year later, on March 31, 1959 there were in operation only 11,634. The number of new post offices established in that year total 116. However, the number of post offices which were closed amounted to 250, and we ended the year, not with more post offices to serve the needs of the people of Canada but with 134 less.

I realize that there are circumstances where the retention of certain post offices may no longer be worth while, and I do not want to condemn the department at all for locking up maybe half of these 250 post offices that were locked up. However, I feel that many of these offices were closed in order to enlarge the operations of urban post offices which had already exceeded their peak of efficiency in relation to size. I know that if you are a postmaster in a town, and you are classified as a grade 13 postmaster, for instance, it is very nice if you can persuade the administration to allow you to take in a number of surrounding post offices and place them under your jurisdiction. As a result, you might no longer be a grade 13 postmaster; you might become a grade 15 postmaster.

Our urban areas are growing rapidly, however, and I see no need of this process. I think the employees of the post office, especially the postmasters and the superintendents together with all the hierarchy of the post office should be prepared to wait for an improvement in their classification as the population of Canada grows within their respective areas. They should not advance themselves at the expense of surrounding post offices. I think that practice is very unfair to the suburban communities involved, and it is also unfair to the employees concerned, because they are very often handicapped after such a procedure has been undertaken.

The people in the southern area of Vancouver—those I know of, at least, and this may also be the case elsewhere—definitely feel that poorer service has resulted. These are not complaints from my political supporters. These are complaints which I receive each and every week end I spend at home. I can talk to my local bank manager or to the local lumber operator; I can speak to almost anyone engaged in business, and they all complain loud and long about the rapid deterioration of postal service that has taken place since these amalgamations have taken effect. Either measures will have to be undertaken to improve the service, or the department will have to pay attention to a process of decentralization of the existing service.

I know we have that monstrous new post office in the city of Vancouver, including a $2 million underground tunnel leading to the C.P.R. station. What a horrible blunder that was in the annals of the Canadian post office, as I think the minister will readily agree.

Mr. Hamilton (Notre Dame de Grace): Would the hon. member date the time that was decided on, please?

Mr. Regier: Yes. In order to keep the record right, this was decided on in the days of the Liberal government. We have a C.N.R. station and we also have a C.P.R. station. They decided to build one $2 million underground tunnel to connect the nearest railway station, if you please, to the post office. Five per cent interest on that $2 million would be sufficient to supply enough money to build one new $100,000 post office in the surrounding communities each and every year. In any case, the tunnel is not adequately used, because as everyone knows practically all first class mail comes in by air today, so the tunnel is only made use of to haul the newspapers and the advertising garbage that pours in. I hope errors of this kind and especially of this magnitude will not be repeated by the Canadian Post Office Department.

I should like to see the Post Office Department make a greater effort with regard to paying attention to municipal boundaries. I know that the orthodox reply one receives on making representations to this effect is that post offices simply cannot pay attention to municipal boundaries. I feel, however, that that is a wrong position to take. I will admit that the department cannot always pay attention to municipal boundaries. Whenever possible, however, the post office should make a policy to respect municipal boundaries. The city of Port Moody, for instance, should not have to receive one third of its mail via New Westminster while the other two thirds is handled in Port Moody. This is the situation in many other towns in Canada. I think that instead of relying on a principle laid down by some official many long years ago, the department ought to have another look at this thing to see whether a little more attention could not be paid to the interests of the communities concerned.

I would like the minister to explain why the progress made in building new post offices is so slow. I am afraid that in 1960 the number of starts may be less than the number in 1959. In the departmental report for the year ending March 31, 1959 the minister claims that in the preceding year 65 new buildings were completed. We have a total of 11,634 post offices in Canada. If we are prepared to build only 65 new buildings a year that indicates on the basis of my arithmetic that the government expects post office buildings to last roughly 200 years. That

is an odd rate of depreciation at this time when there is so much unemployment. I believe we should build at least 165 new buildings a year.

The condition of post offices in many parts of Canada is a disgrace to the federal government. It is time we embarked on a more ambitious program in this regard instead of curtailing our program to meet the aims of the Minister of Finance. I hope the construction of no necessary post office has been delayed because in the opinion of the government this is the year in which it had to arrive at a balanced budget.

Other hon. members in this group will say something about twice a day delivery as being necessary to the business community and a source of additional employment.

Would the minister tell us if in the larger urban areas wickets remain closed after a certain hour? If it is not the policy in Montreal, Toronto, Winnipeg and Vancouver to have one wicket open around the clock, Sundays and holidays included, it should be. It is unreasonable to expect large urban areas to be served by post offices with wickets that close at five thirty or six o'clock.

Mr. Hamilton (Notre Dame de Grace): Would the hon. gentleman keep that open all night or until 2 a.m.?

Mr. Regier: In Vancouver the demand would be great enough for one wicket to be open all night and the same would hold true for Montreal. There are many people in the modern business world today who have a need for postal services at odd hours of the day and night. Arrangements could easily be made for around the clock service and it would be in the public interest if this were done.

The requirement for door to door delivery in towns should be lowered. The required population for this service should be reduced by 50 per cent. People today no longer like to walk a number of miles to get their mail at the local post office. We have many growing smaller towns which could have this service if the requirement were lowered.

I often wonder why the operations of the post office savings bank could not be combined advantageously for both the people of Canada and the Minister of Finance with the annuities branch of the Department of Labour. They could operate as one unit. I regret that the balance on deposit at the beginning of the fiscal year continues to show a decline. There has been a constant decline from $39 million on deposit in 1954 to $34 million in 1959. Since 1954 there has even been a slight decline in the number of post office savings banks in existence. Only one out of every eight post offices in Canada offers this service. The objects of the service are to encourage people to save and to enable the government to use the savings of the Canadian people in the public interest while paying only a modest rate of interest. The money now on deposit enables the government to have a considerable amount in interest rates each year.

The Minister of Finance pays 5 per cent when he borrows money and he paid over 6 per cent last year. I do not know what interest is paid on the money deposited in the post office savings bank but I believe it is not in excess of 3 per cent and perhaps it is even lower. The minister might inform us about that.

The hon. member for St. Denis referred to the advertising expenditures of the minister. I recommend that some of the advertising revenue available to the minister be diverted to more adequately informing Canadians of the availability of the post office savings bank. It is very much in the public interest at this time that people be encouraged to save. It is also important that the Minister of Finance receive as much investment money as he can at the lowest possible rate of interest. This is an excellent medium of making money available to the government.

On the whole we are proud of the operations of the Post Office Department and its employees and officials. However, we are unable to agree with the minister that it is becoming difficult to improve. The financial aspects of the department could be improved. It could be put on a more self-sustaining basis than now. I plead with the minister to occasionally ignore the advice of some of his leading officials who urge the construction of larger post offices at the expense of the smaller surrounding communities. We hope he will adopt the attitude of the former minister of public works who expressed the feeling that bigness is not synonymous with efficiency and who lent a considerable hand in increasing the construction of new post offices in smaller communities.

Mr. Carter: Mr. Chairman, I should like to commend the Postmaster General on his efforts to improve the postal services of Canada and also to thank him for the personal interest which he has shown in certain individual matters which I have brought to his attention.

Before going on to some further matters which I wish to draw to his attention I should like to pay tribute to the staff of his department, particularly to the administrative staff both here and in my province. I do not think there are any more conscientious or

dedicated public servants to be found in any government department than can be found in the Post Office Department.

Newfoundland has peculiar problems with respect to mail services and the success with which those problems have been overcome and the improvements which have been carried out are due in no small measure to the efforts and the calibre of the people in the administrative part of the Post Office Department in our province.

Personally, I want to tell the minister that I have received every co-operation possible, and all my problems have always been given very sympathetic consideration. The new post office which was opened in St. John's recently has contributed greatly to the convenience of the public and also to the improvement of the working conditions of the staff. In addition, it has made for more efficient supervision and administration.

There is room, I think, for some revision of policy in connection with the classification of post offices. I draw a distinction between the classification of postmasters and post offices. There was a time when the salary of postmasters depended upon the revenue of the post office itself. I believe that has changed now and a better basis has been found, which takes into account not only the stamps sold but the other duties which have to be performed, the pieces of mail handled, and so on, but the classification of the post office itself still rests, I think, on the basis of revenue. In my province this gives rise to some very peculiar problems.

In my own riding most of the post offices—practically 90 per cent of them—are small revenue post offices where the services of the Post Office Department and those of the Canadian National Telegraphs are carried out by the same employee. I have drawn attention to this on previous occasions and I had hoped that something would have been done before this because there is a special problem in respect of Newfoundland arising out of the difficulty in relating our previous policy before confederation to that of the federal government.

Prior to confederation it was the practice to build separate post offices in communities where it was felt they would be a greater convenience to the people. The places where those post offices were built had no relation whatever to the size of the place or to the revenue of the place, although in most cases they were built in the larger fishing settlements. Now the federal Post Office Department will erect separate buildings for post offices only when the revenue reaches a certain figure. But since it acquired those buildings which had already been erected prior to confederation and has carried out the policy of repairing and replacing them when necessary, we now have a situation where a very small community may have a separate post office building, while a much larger community is not able to get one.

In communities where the population is around 300, 400, or 500 people it is not convenient to have a post office in somebody's residence; it is not convenient for the people in a one hundred family settlement to have to go to somebody's back porch to mail a letter or to line up and get their mail. I think something should be done to alleviate this problem and to eliminate the seeming discrimination between those settlements which were lucky enough to get a separate postal building before confederation and those which have now grown larger and more important but are still not able to qualify under the present policy of the government.

As I said before, this is a special problem in Newfoundland, and I think it deserves special consideration and special treatment. I am not at all sure that the present policy of the Post Office Department in putting the onus upon the postmaster to find accommodation for the post office is a good one or a fair one. It seems to me to be putting an unnecessary burden on the postmaster and it makes for discrimination between a postmaster in one settlement where such accommodation can be found easily and cheaply and the postmaster in another settlement where he would have to go to the expense of putting up a building himself. I know the fact that this allowance is rated as salary and since it will perhaps help the postmaster to get a little better pension on retirement it may look like an advantage, but looking at the over-all picture I believe it is not a satisfactory policy. Not only is it not fair to the postmaster himself but it is not fair to the public because the people in one community have the right to expect the same type of service that they can find in another community of similar size.

The Postmaster General will not expect me to sit down without saying something about the postmaster-telegrapher problem. I am not going to repeat what I have said on previous occasions because since I raised this problem here in parliament the Postmaster General himself has had an opportunity to go to my province and to get firsthand knowledge of this problem; but I do want to tell him that there are still many cases where an injustice exists. I am a firm believer in putting right whatever needs to be put right and if we cannot put everything right, then we should put right as much as we can, and there are still some cases arising

out of this situation which have gone on now for 10 years and are still getting worse instead of better.

I still want to impress upon the Postmaster General that I consider his department has a moral obligation to do something about those people because it was his department which entered into the agreement which brought this situation about.

I should also like to say a few words about the handling of mail. The minister has emphasized that there is not much room for further improvement as far as internal arrangements are concerned but there is certainly room for improvement in the handling of mail. I know it has been my experience quite often to receive publications, magazines and papers through the mail which have been mutilated in transit. Once in a while we have the experience of receiving a parcel which has been crushed or broken while passing through the mail.

I happened to be in Montreal one day about a year ago and while proceeding from St. Catherine street to the C.N.R. station I passed along a street where one of the Montreal post offices is located. I would not have noticed the incident except that while I was walking down the street a truck backed up across the street in front of me and I saw the driver pick up bags of mail and throw them from a high platform right onto the truck, a distance of some 30 or 40 feet. With treatment of that sort any kind of fragile parcel in a mail bag would be damaged.

I do not know what safeguards the minister can take to prevent that sort of thing happening but I can assure him that it does happen because I have seen it myself. I believe that some measures should be taken to reduce such rough handling of the mail to the absolute minimum.

The question of broken or damaged parcels brings up the matter of insurance. When the minister replies to the remarks that have been made I wish he would be good enough to tell us something about the conditions under which insurance can be collected for a broken parcel. I know of a case where an electric razor was sent through the mail and when it arrived the outside case had been broken and it was in a very damaged condition. When the person applied for compensation on his insured parcel he was unable to collect. I am not clear on just what grounds he was refused but I know that he was refused although he could provide evidence that the damage had occurred while the parcel was passing through the mail.

Before resuming my seat there is one small matter I should like to bring to the attention of the Postmaster General. It has to do with notices as to the forwarding of mail. When a person moves from one postal address to another I understand that if he wants his mail forwarded he fills out a little card advising the post office where his mail is to be sent. But these cards are only good for three months, and in the case of people like myself who have to be in Ottawa for six or eight months it often happens that we forget the card is good for only three months and several weeks' mail will pile up at the old address without being forwarded. I do not think it would be asking too much of the Postmaster General if he would arrange to have a reminder sent from the post office indicating that the period has expired and asking for further instructions.

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, I am sure that members of the committee were very interested in hearing some of the advances that are being made in the Post Office Department as outlined by the minister this morning. I particularly noticed that he used words such as automation, mechanization and electronic equipment. These are terms that are causing a good deal of concern to labour across the country at the present time and these matters have received the attention of the house on several occasions. There is no doubt that they constitute a very important problem.

Could the minister outline what studies he has made into the long term effect of automation in the Post Office Department, particularly what effect it is going to have on the staff? I think such a study could be very useful to parliament because here we have a very large government department faced with a problem that is confronting industry generally throughout the country. It seems to me we have an opportunity here to have a firsthand study of the effects of automation on the staff of a government department. I would ask the minister to outline what is being done with respect to studying the problem. I know he has told us that there is going to be no great disruption of employment in the department because of automation but perhaps he could go a little further and give us a general outline of what study has been made in that regard. I am sure it would be helpful to the committee.

Mr. Winch: Mr. Chairman, there are two or three matters I should like to raise under item No. 1 of the Postmaster General's estimates. May I first add a few words to the comments made by the hon. member for Burnaby-Coquitlam with relation to the employees of the minister's department. I feel quite certain that all members of the committee will agree that in the vast majority

of cases employees throughout the civil service are most efficient and loyal. There is no question about that whatsoever. But I want to emphasize particularly that I do not think there is a more loyal group of civil servants, who at the same time have had less attention, than those in the Post Office Department.

I refer particularly to the postal clerks and even more so to the letter carriers, a group of civil servants whose work is outside 99 per cent of the time. They have to start very early in the morning and carry heavy loads under varying weather conditions. If ever a medal were cast by the government of Canada for people who have to face problems I think it should be presented to the letter carriers because they render the highest degree of service that can be expected of any man.

I am rather upset that the postal clerks and especially the postal carriers have so far not been among those classifications that have received an increase in remuneration. I sincerely hope that the Postmaster General—

The Deputy Chairman: Order. Since the Gentleman Usher of the Black Rod has arrived at the door, the proceedings of the committee will be suspended for royal assent.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, May 27, 1960

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 27th May, at 3.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
E. Joly De Lotbiniere
Assistant Secretary to the Governor General.

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

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

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An Act for the relief of Marie Rita Dube Hould.

[Mr. Winch.]

An Act for the relief of Stella Jean Margaret Newman Lamartine.

An Act for the relief of Margaret Estelle Eleanor Evans Lanese.

An Act for the relief of Jean Brasgold Martz.

An Act for the relief of Glafira Milczyn Sohn, otherwise known as Vera Milczyn Sohn.

An Act for the relief of Militza Anich Racette.

An Act to incorporate United Canada Insurance Company.

An Act respecting Montreal Life Insurance Company.

An Act to incorporate Canadian Reassurance Company.

An Act to incorporate Munich Reinsurance Company of Canada.

An Act to incorporate The College of General Practice of Canada.

An Act to incorporate Matador Pipe Line Company, Ltd.

An Act respecitng The National Sanitarium Association.

An Act respecting British Columbia Telephone Company.

An Act respecting Eastern Telephone and Telegraph Company.

An Act to incorporate Adanac General Insurance Company of Canada.

An Act to incorporate Laurentide Finance Company.

An Act respecting International Loan Company.

An Act to repeal certain Fisheries Laws of Newfoundland.

An Act to Control and Regulate the Sale of Feeds.

An Act to amend the Export and Import Permits Act.

An Act to amend the Federal-Provincial Tax-Sharing Arrangements Act.

An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

SUPPLY

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

POST OFFICE DEPARTMENT

304. Departmental administration including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $1,926,670.

Mr. Winch: Before we were called to proceed to the other place I was coming to the last sentence of what I had to say on the first point I raised in connection with the first item of these estimates. I will not repeat what I said previously, but merely conclude that section of my remarks by expressing the hope that the Postmaster General will use his position and influence to see that the postal clerks and the postal employees receive an increase in remuneration as speedily as possible, and that it be made retroactive to the first date upon which an increase was given to any civil servant during this session of parliament.

The second point I wish to raise is one in connection with which I admit I have not the fullest information. Her Majesty's mails are most important and I understand it is possible to send almost anything one wishes through the mails with the assurance of delivery. It is my understanding that for a long time it has been a growing practice among banking concerns to use the services of the post office either within a city or between adjoining cities for the purpose of transferring money, sums running into thousands of dollars or even hundreds of thousands of dollar. I am given to understand that this places a great burden upon the Post Office Department which the department was not originally intended to bear. If my information is correct, there are robberies upon occasions—and I am not referring to them in the same sense as the hon. member for St. Denis—but though the sums transmitted are covered by insurance I understand the banks do not put in claims. That is my understanding. I do know that in the past year or two there has been an upsurge in robberies of banks and post offices, as a result of which the department has had to take additional measures for its protection, and so forth.

I should like to hear from the Postmaster General whether he does feel that in principle it is the responsibility of the Post Office Department to accept huge amounts of money for transfer between banks either in the same city or in adjoining cities, and whether this matter has been taken up with the banks, possibly with a view to telling them that in the circumstances it would be only right for them to remove this burden from the post offices of our country and make other arrangements, perhaps with Brinks, to take care of this work. I should very much like to hear whether any consideration is being given to this question, whether there has been any consultation with the banks along these lines and whether any decision has been reached or, indeed, can be reached with the banks on this matter.

On the third point I wish to raise, we would appreciate hearing very much what consideration is being given by the Postmaster General to the costing of the services which are supplied by his department. We appreciated very much the information which was given to the committee by the Postmaster General when he introduced his estimates this morning. This question of costing is not a new one as far as I am concerned. I have been interested in it during the seven years I have had the honour of being a member of this house. I have spoken about it on more than one occasion in this chamber and also in the estimates committee when the estimates of the Post Office Department were before that committee two or three years ago. The postal service is a public service and it is under public ownership. I cannot understand why the policy of this and previous governments has been that a public service should subsidize commercial private enterprise. A question was put to the Postmaster General as reported at page 1641 of *Hansard* of March 2, 1960 in reply to which he stated that during the fiscal year 1958-59 the estimated excess of disbursements over receipts amounted to $21,690,000 for newspapers and periodicals.

I have briefly examined the information supplied by the minister this morning. In 1958-59 the Post Office Department handled 1,943,798,566 pieces of first class ordinary mail at a profit of 1.827 cents per piece. In that period it handled 844,443 pieces of domestic air mail at a profit of 17.665 cents per piece. It handled in that period 294,261,801 pieces of third class householder mail and 823,694,834 pieces of third class addressed circulars at a profit of .013 and .183 cents per piece respectively. Only in those services was the revenue greater than the expenditure. We can understand a loss on a public service such as money orders, notched and denominative and on special delivery mail, etc. But why should first class ordinary mail across Canada or domestic air mail have to assume what I maintain is a subsidy to private commercial firms?

On second class transient mail there was a loss of 9.339 cents per piece and on second class publishers' mail there was a loss of 4.084 cents per piece during the period 1958-59. Those who put magazines or newspapers through the mail are in a commercial business. Those who have what are usually called throw-aways are in the advertising business. Why should those who send first class mail be expected to subsidize those engaged in profit-making businesses of a commercial nature?

In 1951, two years before I came here, when there was some thought of changes being made in postal rates the Canadian Daily Newspaper Publishers Association protested the increase on grounds referred to by the minister in an answer reported at page 1675 of *Hansard* of March 2, 1960:

> —the proposed rates of postage would make it necessary for the publishers to charge a higher subscription price.

Surely it was not the intention that the post office as a public service should subsidize private commercial operations. When changes in the postal rates were last debated in this chamber the proposed increase on

first class mail was such as to more than cover the loss on second and third class mail. Having heard the present Postmaster General and other hon. members of the cabinet speak on the subject when they were in opposition, we expected that a new evaluation might take place of the policies of the department, that for service rendered you shall pay. I thought that was a principle of free enterprise. It certainly is a principle of socialism.

The department made a profit in the past and now it has a deficit. A deficit is made up from the public purse. Perhaps the minister would tell us what studies have been or are being made on the question of the costing of the revenues and expenditures in connection with services rendered and in particular on the subsidy being paid by the average citizen on first class mail to advertisers, publishers and newspapers.

When the minister speaks will he tell us, clearly, honestly and bluntly, if he believes that private commercial enterprise should be subsidized by Canadian taxpayers in the event of a deficit in his department or by the users of first class mail? There is a principle involved and we are interested in hearing the viewpoint of the Postmaster General.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, perhaps at this point I could attempt to deal with some of the observations made during the course of this morning and afternoon and answer as quickly as possible some of the questions raised.

First, I would like to say this. Hon. members have charged me with saying in effect that there is little room for improvement in the post office. Now, this is a quick misinterpretation of something I said today. What I really said was—and I think this is the quotation—"We are still trying to improve, but it is getting harder". I pointed that out because of the fact that only one one hundredth of one per cent of our mail now results in inquiries or complaints and, therefore, if we are going to improve, we have to work on that one one hundredth of one per cent of the mail volume.

The first statement to which I take exception is that I implied that there was little room for improvement in our administration. That is the sort of self-satisfaction that I do not permit myself or my department to indulge in.

I will deal first with the remarks of the hon. member for St. Denis, Mr. Chairman, made during his speech of one hour and 35 minutes. I checked that for basis of comparison a few minutes ago while you were in the other place, Mr. Chairman. I was interested to see that he occupied more time speaking on my estimates this year than he did in all of his efforts in the 22 years that he sat on the government side of the house.

Mr. Denis: Cheap stuff.

Mr. Hamilton (Notre Dame de Grace): In his opening remarks he said he felt there was a lack of success as far as the Post Office Department was concerned. I am not going to deal with that. I shall let my remarks which are on the record as to the things which have been done this year in the Post Office Department speak for themselves and refute that observation.

He said I am a Postmaster General—

Mr. Denis: Dealing with deficits.

Mr. Hamilton (Notre Dame de Grace): He said that I am a Postmaster General who believes in deficits. If he had listened to my remarks and had understood them, if he was listening, he would have found that in the year ended March 31, 1960 we had a surplus of $1.7 million. It rather seems to me that a man who attempts for over an hour and a half to criticize the Post Office Department and does not know the difference between a surplus and a deficit is on rather weak ground in this field.

I should make this point very definitely. The basic philosophy of the department, as far as I am concerned, is to attempt to equate our revenue and our expenditures and to come out somewhere near even. Two years ago, in the first year under the administration of this department, our loss was $400,000. In 1958-59 it was just under $200,000. This year it is a surplus of $1.7 million, and when you are dealing with a total of almost $200 million you cannot come much closer to perfection.

The hon. member for St. Denis said that all our improvements are the responsibility of the deputy and the post office officials. I am not going to debate that with him at all. What I do say is that a reasonable portion of that which is going on in the department is the result of ideas which I have myself acquired in thinking about our problems and in my trips going around the country.

Mr. Denis: Which ones?

Mr. Hamilton (Notre Dame de Grace): But we work together as a team, and this is the important thing. I am not interested in debating who gets credit for what; I am only interested in giving this country the best possible postal service it has ever had.

The hon. member said I gave no details about the cost of anything new. He should have learned in his 25 years in the house that on your opening speech you give the general picture and then you proceed

to deal with details as they are required by the hon. members. To give an example of just the sort of thing he would have had me doing, he said, "You did not give any details about the mailmobiles". I have them here, the results of an official survey to determine our progress. The direct costs for the period April, 1959 to February 29, 1960, including chauffeur and vehicle licence, gasoline, oil, greasing, repairs, tires, storage and depreciation totalled $4,129.75. Direct savings through the elimination of certain parcel post and relay bundle deliveries, $2,545.32, and net savings in transportation, letter carriers, $650.40, for a total direct savings of $3,195.72, and indirect savings representing the salary of one letter carrier and additional relief on annual leave and on rotation days, $3,288.65, for a total savings of $6,484.37, as against a total cost of $4,129.75, or a net saving of $2,354.62. This experiment involved five mailmobile routes covering an area formerly served by six foot walks.

If the committee had thought this was the kind of thing I was going to put in my original statement without being asked the specific areas in which they were interested, may I say it was not my intention to burden it with such detail unless requested.

To continue with the remarks of the hon. member for St. Denis, he charged me with taking responsibility for salaries and working conditions of everybody in the post office. This is primarily the function of the civil service commission and the Minister of Finance. What I do take credit for, and what is our proper responsibility, are the regulations and the operating conditions under which our employees work and the relations, in so far as they exist—and there is an extensive area in which they do—between management and staff in the post office. In those areas, we have made progress, and those relations have been improved.

The hon. member for St. Denis referred to travel expenses and said they have gone up. The results are reflected in the drop in our inquiries and complaints and in improvements of service because in the last two or three years we have given much more adequate supervision in the field. In order to achieve this better service we have more area superintendents who are responsible for getting out and directly supervising activities in our post offices and we have a far greater degree of collaboration between our headquarters and the field. I am urging our headquarters officials all the time to get out to the field and supervise what is going on and know what is going on so that they come back with the information to improve service.

The hon. member complained about the fact that I have sent out a letter to members giving them information on the way in which they could contact senior officials of my department in case they wanted information. He omitted to quote from that letter the following sentence:

> It is not my intention to create the thought that you should not let me know of your problems, but simply that I realize that you may wish to get detailed facts or to talk over a situation directly with the official who has been previously handling the actual case.

I am delighted to have members come to me with their problems—unlike the previous administration, which tried to sweep everything under the rug; I know this because I encountered difficulty myself as a member in direct dealing with officials of the department. My predecessors wanted everything to go through the minister. It is my view that there should be access, and direct access, between hon. members of this house and officials of the department so that they can get information easily and efficiently.

The hon. member mentioned a letter in which there had been a delay of two months, I think it was, between his sending it and my reply. This is an unusual case, as he will agree. He came to me for the information he would have been told it was in regard to a piece of third class mail coming from the United States and that it was necessary, therefore, for me to write to the United States and obtain this information, and that was where the delay occurred, as he knows very well.

Then he referred to an exaggerated desire for publicity on my part. I think I may assume that it is not my fault that previous postmasters general have sat here in Ottawa or have been engaged in activities other than those of the post office. In the work that I have done I have travelled across this country to visit post offices and find out what is going on and people report those activities from time to time. I just want you to know it is easier to find me in a post office than on a golf course.

Let me return to the mailmobile for a moment. The hon. member raised the objection with respect to the mailmobile that we did not give adequate consideration to Canadian manufacture. The short answer to that is that we started with a United States item only because after canvassing 18 possible Canadian manufacturers we could not find one who had anything that would come anywhere near fitting our requirements. After they were in operation here in Canada and Canadian manufacturers had a chance to look at them they began to develop something which was suitable for our purpose.

We are now trying out a Canadian machine which admittedly uses some imported material. But I am confident that as the use of these machines increases Canadian manufacturers will produce models entirely made in Canada and when that is done we will be delighted to use them if the price is right. But we cannot use non-existent machines as the hon. member for St. Denis would have us do.

As far as the flying squads are concerned, the hon. member claimed that they were instituted by the present government as a camouflage for patronage or something of that nature. If he read the parliamentary return which was filed for him he would know that they were instituted long before this government came into power. He claims they are unfair to part-timers in the post office. This is just a complete lack of knowledge and appreciation of how the department operates. I can understand this. There is no conflict between the two groups. We have thousands of part-timers in the major cities of Canada and they work on a regular schedule. The flying squads are only on an intermittent basis. The hon. member says that flyings squads are being used for six to eight hours at a time. I very much doubt this. The matter comes under the direction of the local postmaster who is not supposed to do this. I am having an investigation made.

The hon. member referred to the transfer of post offices and suggested that there was something terrible in this. In the course of a year, Mr. Chairman, we switch from 1,000 to 1,500 post offices, with the average figure being somewhere around 1,200. This has been going on year in and year out for a long time. There are perfectly legitimate reasons for it such as retirement under the provisions of the Public Service Superannuation Act, dismissals where a man is removed from office for cause such as misappropriation of post office funds, unsatisfactory management, etc., resignations where the postmaster has requested to be relieved of the postmastership, and replacements where the postmaster is changed under the policy that all postmasters in revenue offices are to be replaced upon reaching the age of 70.

The hon. member for St. Denis said this was a terrible thing and that we were firing all these people for political reasons. I deny that categorically. I remind him of the fact that when the Liberal government came into power in 1935 they proceeded for partisan reasons to fire 350 postmasters. That is on the record. We have had to remove eight or nine—I do not remember the exact figure—for partisan reasons, each one following a full inquiry and complete support of the accusation made.

[Mr. Hamilton (Notre Dame de Grace).]

The hon. member made one of his big plays, of course, on the basis of thefts. Very briefly the basic story and background on this subject are contained in my first remarks and show that the situation has improved. At one point the hon. member quoted prosecution figures and complained about them having increased. Goodness gracious, what does he expect us to do, not prosecute people? I suppose if we did not prosecute them he certainly would have something to say. I think this is an indication that he was not clear as to what he was talking about because I certainly have no desire or intention of reducing prosecutions for thefts and burglaries.

Mr. Denis: On a point of order, Mr. Chairman, I said it was a report from the Postmaster General himself and referred to all kinds of thefts, by people outside as well as people inside. If this report is accurate it is not the same report as the one he mentioned in the house today. If he wants me to repeat the figures I am ready to do so.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, if the hon. member is not in a position to understand the figures which I quoted today and which are printed in the report, this is not the place to do elementary mathematics. With respect to the comparative picture as to burglaries, I have been able to get for the calendar year ended December 31, 1959 the total number of burglaries in a number of cities across Canada. I should like to list them very quickly and compare them with the number of post office burglaries in these cities. In Ottawa there were 993 burglaries of which two were in post offices; in Hamilton 1,294 of which five were in post offices; in Winnipeg 1,632 of which seven were in post offices; in Edmonton 1,907 of which four were in post offices; and in Vancouver 4,285 of which 14 were in post offices. You can see the infinitesimal relationship between the two.

Finally, Mr. Chairman, on this question of thefts I would remind the hon. member that if he will go back through *Hansard*—this is confirmed by records within the department—he will find that until the time I first discussed this matter in the house when in the opposition security was in a quite deplorable state. It is an interesting fact—and a direct result of that discussion when I was in opposition—that immediately thereafter the department set up a committee from which flowed such things as new burglar alarms installed in many offices, improved types of security equipment such as safes and cash boxes, a demand for the inclusion of walk-in vaults in all new buildings, which up to

then was not being done, more complete control over cash held in the office, the use of night depositories in banks, the use of security service transportation such as Brinks in many cases and the appointment of additional field investigators. I only wish the hon. member for St. Denis would give me some suggestions. I have looked for them but I have never found them. I might add that recently I have instituted a similar committee to work further in this field with special reference to highway service.

I was asked for the details of the electronic machine. The short answer is that to date it has cost some $3,300,000, with another $485,000 slated for this year. Of this amount approximately $1¼ million has been spent since I took charge of the department. The hon. member asked why the machine is not in operation. I find that the first reference to the electronic machine was back in 1950 under the then postmaster general. I find items in *Time* magazine in 1955 indicating the machine was already in operation which were erroneous. The short answer is that the development of this electronic equipment is a long, arduous process and that it really started to go forward when I decided to transfer the present phase of the work to Canadair and have them set a definite date for completion, with certain penalties involved if this was not lived up to.

I am going to deal briefly now with some of the other points raised. I thank the hon. member for Burnaby-Coquitlam for his very thoughtful and helpful suggestions. He asked about the cost of accommodation. I will give him the figures for the year ended 1959. We estimate the cost of the free space we get from public works at $20 million. Against this, of course, we provide free mail service for franked mail of government departments and other sections as well as the House of Commons for a total of $6½ million.

Mr. Regier: Is that the annual amount?

Mr. Hamilton (Notre Dame de Grace): Yes, $20 million annually. Taking these figures into consideration, the situation actually is that instead of a deficit of $173,000 in 1959 the two figures bring us to a deficit of $13,673,000. I ask him to remember that historically accommodation and banking has always been accounted for on the same basis so these figures are not new in any way. They are not comparable with the direct figures for previous years in the report of the Post Office Department.

He asked about the reduction in the number of post offices. This, of course, reflects the extension of our rural routes, the extension of letter carrier routes in the cities, the growing movement of people to the cities and the decline in the small communities. In many cases, these communities just disappear completely. We do not deliberately close small post offices, but we do find—I appreciate the hon. member's views—that in most large cities we have not yet reached the point of diminishing returns so far as post offices are concerned. On the other hand, in some places we have. In Toronto and Montreal, for instance, this is certainly the case with our metropolitan post offices. However, we are not doing this to build up bigger post offices in the cities; I can assure him of that.

The hon. member claimed that post office buildings were not being proceeded with quickly enough. I think that he overlooked, in that connection, the fact that while we do have 11,500 post offices, actually 8,000 of those are small revenue post offices where the postmaster has the responsibility of supplying the premises in a part of his store or something of that sort. Then there are another 1,750 sub-post offices located in stores in large cities, and the remainder are semi-staff and staff offices. These are larger offices, but even in the case of some semi-staff offices, the premises are rented. When we say we built 65 post offices last year and 105 this year, I believe that is a very good record. It certainly shows we are going in the direction that the hon. member wants with 105 buildings this year.

I do not believe it would be practical to keep the wickets open 24 hours a day as the hon. member suggested. The short answer to this is that in the major centres we keep the wickets open in a pattern designed to match the business which offers. If we could get adequate business until ten o'clock at night in the main post office in Montreal, it would be kept open. If we find there are only one or two people between eleven and seven in the morning, then we will not keep it open.

The hon. member for Burin-Burgeo spoke a little while ago, and I would tell him that the classification of post offices does not rest on revenue but rests on a unit of work basis. Then, in turn, the postmaster's salary is determined on the classification of the post office, not on the amount of revenue from that post office. He wants more government post office buildings in small communities. I can sympathize with him in that. Unfortunately we have to have a standard policy across Canada, and the one we have gives adequate weight to this particular consideration. I do agree with him that there has been inequities in so far as postmaster-telegraphers are concerned in Newfoundland. I do not agree with him that we have any responsibility for this, and I have made it quite clear to Canadian National Telegraphs that either

they are going to do something about this or, alternatively, we just cannot go on being represented as their agents and taking responsibility for their actions. I think this is now fairly clearly understood. I must say I spent some time with the postmasters down there and I was very disappointed that they —not through any effort of the hon. member —seemed to have the idea that there was a measure of responsibility in the Post Office Department for this. I think they now understand the different situation.

Briefly, in closing, Mr. Chairman, the hon. member for Vancouver-Kingsway asked me about our attitude toward automation. I think perhaps I can sum it up this way. The issue on mechanization is the improved efficiency and handling of the mail, not the reduction of staff. The introduction of mechanical and electronic machinery will effect this in several ways: First, and most important, while it will not enable us immediately to reduce staff, it will enable us to handle more mail with the same staff. Second, its introduction will mean where we now use unskilled or semi-skilled personnel in large numbers on a part-time basis, we will be able to introduce a lesser number of specially trained and full-time postal employees. Finally, it will add substantially to our efficiency because in some of our larger cities, such as Toronto and Montreal, we are reaching a point where there are so many street names and divisions of streets to be remembered that the sortation process is slowed down by the inability of most of our staffs to memorize every division. Certainly there will be changes, and we know that this will mean a larger percentage of our total staff will be skilled, and more full-time employees as opposed to part-time personnel.

Our full-time personnel are interested in this, and this is an encouraging thing. They are giving us, so far as I can see, support for it. We are not meeting any resistance. There are some who question this new development, although not the hon. member. There are some who feel there is an obligation on a government department, simply because it is a government department, to avoid improving its methods of operation so that by remaining inefficient an ever increasing number of jobs will be produced at the taxpayers' expense. This is not my view. If I may illustrate vividly how shortsighted and foolish such a policy would be, I would point out that within the memory of many people in the post office department letters from street letter boxes were picked up by men on foot carrying bags over their shoulders. I have no doubt that when the horse-drawn vehicles were introduced for this purpose there were complaints that, in its search for efficiency, the post office department was threatening men with the loss of their jobs by departing from tradition. This is an attitude we do not have today.

I think that deals with most of the questions which were asked, and perhaps we might be able to proceed with the individual items.

Mr. Winch: Except mine.

Mr. Hamilton (Notre Dame de Grace): If I have about ten seconds, perhaps I can get through with yours, too. The hon. member dealt, first, with the question of the remuneration of postal employees. He will understand, as a result of his long experience in the house, that he should really bring that to the attention of my colleague, the Minister of Finance. Then the hon. member dealt with money packages. The short answer to that is that in so far as adjoining cities are concerned, the banks are supposed to, and so far as I know do, transfer these by security transfer vehicles. In some cases, because of the distance between adjoining cities, 10 to 15 miles apart, they have been using the mails. We have had conversations with them, as the hon. member has said, urging them to eliminate this practice wherever possible. I take the view that money packages should go whenever possible by express or by security vehicle. On the other hand, I accept the fact that where there is no means of transportation except the post office, we have a responsibility to carry these packages. These are not the cases of which the hon. member was speaking.

Finally, so far as publishers' mail is concerned, the distribution of publications, I would merely say to him that this operation shows up as a loss on the operating statement of the Post Office Department. However, I take the view, and past governments have done, and I am sure succeeding governments will do, that we have a responsibility to enable the free and easy flow of information to all people in this country, and that magazines, books and newspapers, as well as other printed material of this sort, which helps to inform our people and raise the level of information, are entitled to consideration when postal rates are set.

Mr. Winch: I should like to continue this discussion when these estimates come up again. The minister cannot get away with that type of fast answer on this important subject.

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

The Acting Speaker (Mr. Rea): It being five o'clock, the house will proceed to the consideration of private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

PRIVATE BILLS

JOAN EMILY WILLS MEEHAN

The house in committee on Bill No. SD-48, for the relief of Joan Emily Wills Meehan—Mr. McCleave—Mr. Rea in the chair.

The Deputy Chairman: Shall we take these 47 divorce bills in one item?

Mr. Peters: No, Mr. Chairman.

The Deputy Chairman: Then the committee will consider Bill No. SD-48.

On clause 1—*Marriage dissolved.*

Mr. Peters: Mr. Chairman, in reading this bill, which is the 57th report from the Senate, the divorce petition of Joan Emily Wills Meehan from Leslie Patrick Meehan, we again find the worst features of a certain television program which pointed out that in divorce procedures there can be many—

The Deputy Chairman: Order. I must remind the hon. member that we are discussing Bill No. SD-48.

Mr. Peters: In reading this particular bill we find that it has three features in it. First of all, the people cannot get along; second, it was a mixed religious marriage; third, there is the fortunate fact that there were no children.

The petitioner was represented by a lawyer. Two detectives were called as witnesses, Mr. Etheridge and a Mr. Brault. The petition was applied for on the grounds that adultery had been proven.

The clerk of the committee asked the following questions of the petitioner:

By the clerk of the committee:

Q. What is your full name?
A. Joan Emily Wills Meehan.
Q. Where do you live?
A. Verdun, Quebec.
Q. What is your occupation?
A. Typist.
Q. Are you married, and if so to whom?
A. I am, to Leslie Patrick Meehan.
Q. When were you married?
A. July 13, 1957.
Q. Where?
A. Montreal.
Q. By whom?
A. Father Walsh.
Q. What is your religion?
A. Protestant.
Q. United Church?
A. No, it was a Catholic church I was married in.

By the Chairman (Senator Roebuck):

Q. But you yourself are a Protestant?
A. Yes.
Q. What denomination?
A. Presbyterian.

By the clerk of the committee:

Q. And your husband?
A. A Catholic.
Q. I show you a document, do you recognize it?
A. Yes, it is a copy of my marriage certificate?
Q. Are the statements contained in it true and correct?
A. Yes.

The marriage certificate is then filed and marked exhibit No. 1.

Q. I show you a photograph of a male and a female, do you recognize either or both?
A. Yes, that is my husband and myself.
Q. Approximately when was it taken?
A. Two years ago.
Q. Does it remain a good likeness of your husband?
A. Yes, it is.

The photograph of the respondent is filed and marked exhibit No. 2.

Then the questioning was commenced by the petitioner's lawyer, in this case a Mr. Jacobs. He asked questions as to domicile and it was established that both the husband and the wife were born and lived in the Montreal area, that they intended to live in the Montreal area or in the province of Quebec for domicile purposes, and it was established by Senator Roebuck, chairman of the committee of the other place, that as far as they knew they were both going to continue to live and take up residence in the province of Quebec. Then Mr. Jacobs asks:

Q. Did you have any children by your husband?
A. No.
Q. How did you get along with him during your marriage?
A. Well, he used to sometimes,—I received calls from girls, and he used to phone them from the house.
Q. Did you have occasion to take your husband to your minister to try to rectify the situation?
A. Yes I did.
Q. What was his reaction to that?
A. Well, after Father Walsh talked to him he said to Father Walsh that he would try to do better, but when he got me alone he said it was a big joke and that he would just continue in the same manner he was doing.
Q. When did you stop living with him?
A. December 1958.
Q. Do you have any personal knowledge of your husband's alleged adultery on January 19, 1959 with Violet Little?
A. No, I don't.
Q. When you stopped living with your husband where did you go?
A. I went back home with my parents.
Q. Are you living with them today?
A. Yes, I am.
Q. Did your husband continue to remain in the common domicile?
A. Yes, he did.

Then the chairman wanted clarification on this point and asked:

Q. Is it an apartment or a house?
A. It was a house.
Q. Did he support you during that period, or did you go on working?
A. I went on working.

By Mr. Jacobs:

Q. Did you have to work?
A. Well, while I was with him, yes, because he was unreliable, never kept a steady job.

By the chairman (Senator Roebuck):

Q. What does he do?
A. Now I couldn't tell you.
Q. What was he doing at that time?
A. He was a chauffeur.

By Mr. Jacobs:

Q. Has there been any collusion or arrangement between you and your husband to obtain this divorce?
A. None whatsoever.

Mr. Chairman, it would have been very nice if Senator Roebuck had asked if there was any connivance or anything of this nature between the lawyer and the petitioner while this question was being asked by the lawyer because it would seem that if the particular program which many of us watched last night was typical of divorce practice, probably the question should have been asked not only of the petitioner but also asked by the senators of Mr. Jacobs himself, because it appears that they themselves are in on the connivance and collusion as often as not.

Q. Have you in any way connived at his alleged commission of adultery with anyone?
A. No.
Q. Is there any condonement or forgiveness on your part?
A. No.
Q. Would you take him back today?
A. No I wouldn't.
Q. You are presently working?
A. Yes, I am.
Q. Self-supporting?
A. Yes.

By Senator Lambert:

Q. Was your husband a private chauffeur or was he working for a taxi company?
A. No, he drove trucks for delivery stores, grocery stores.

By the chairman (Senator Roebuck):

Q. Have you had any sexual intercourse with your husband since you parted with him in December 1958?
A. No, I haven't.

Now we come to the calling of the witnesses in this particular case, and I think the committee would do well to remember what they have seen of corespondents in divorce cases, not in one divorce case but in 120, and should give utmost consideration to what they already know to be a fact. I ask the committee to listen to this particular evidence. This witness is Ernie Gordon Etheridge who is a professional, having appeared on many occasions before the Senate this year and in years gone by. He is still 44 years old and he still calls himself a private detective living in Montreal. Mr. Jacobs starts the questioning as follows:

Q. Mr. Etheridge, I show you a photograph which has been filed as exhibit 2. Can you identify the man in the picture?

[Mr. Peters.]

A. That is Leslie Patrick Meehan, and a picture you gave to us when you retained our services in the fall of 1958.
Q. Did you conduct an investigation into the conduct of Mr. Meehan?
A. We did at the time we started the investigation, we found Mr. Meehan was living at 4196 Wellington St., Verdun, as you had pointed out. At the start of the investigation he was alone there, and then on into December 1958 we found that he was working as a salesman at Lambert Motor Sales, and also after the holidays when we went back there there was a woman living with him at that address at 4196.

By the chairman (Senator Roebuck):

Q. That is a conclusion of yours, witness. You must tell us what you saw that led you to that conclusion.
A. We had seen the woman leaving and entering the Wellington street address with him, and once we were positive we decided to make an entry at the house, and on Monday, January 19, 1959, we were on the surveillance, Mr. Brault and myself, of 4196 Wellington street, and we noted this woman to enter about ten after six. This is a third flat property, and it is on the top floor of the building, a store downstairs, living quarters and a flat in the middle landing, and at 4196, this was the top floor of this building. On the outside we had noted after the woman had entered that the front of the third flat became illuminated. At about 6.35 we noticed that Leslie Patrick Meehan arrived, and the fellows that had come with him in the car drove off, and he entered. At 10.35 we noted that the third floor was in complete darkness. At 11 o'clock we went to the inside stairs and groped our way to the third landing. We knocked on the door there, and Mr. Meehan came to the door and asked who was there. We told him we were from the Reliable Detective Bureau and wished to speak to him. He moved away and came back and opened the door. As he did, we stepped into a hallway which was illuminated and we identified ourself to him. He admitted that he was Leslie Patrick Meehan and also that the exhibit 2 was a picture of himself. He admitted that he was not living with his real wife, Joan Emily Wills, but admitted that he was living with another woman.

One of the surprising things about the television broadcast last night—

Mr. McPhillips: On a point of order, this bill has nothing to do with any television broadcast.

The Deputy Chairman: The Chair advises the hon. member not to speak again about the program last night. If he does so I shall have to ask him to take his seat.

Mr. Peters: I only wanted to point out that in my experience—and I have no great experience with this kind of thing—it is difficult to know why people would open a door in the middle of the night without some very good reason. I am sure it does not happen very often. It may only be that I have not travelled in the same circles as other people, but it seems to me to be most unusual for people to open a door at eleven o'clock at night in these circumstances. Supposing the door is partly open and left on a safety latch and the occupier sees two big men

out there. Unless the occupant is a big guy himself I do not think he would be very anxious about letting them in, no matter who they said they were. I would say it would be almost impossible to get someone to open the door at this time of night if they did not want to.

I note, also, that this particular company is called the Reliable Detective Bureau. They make a point of having found out the address, and then they go on to say that the lawyer gave them the address. Evidently, having conducted this investigation they were able to locate the address they have been given in the first place. Granted that Mr. Etheridge is a capable investigator: he points out exactly what he sees. Nevertheless, the case falls into a pattern which is very convenient for its particular purpose.

The witness added:

He admitted that he was Leslie Patrick Meehan and also that exhibit 2 was a picture of himself. He admitted that he was not living with his real wife, Joan Emily Wills, but admitted that he was living with another woman.

The evidence goes on:

Q. Tell us about that admission. What was said that led to such statements?

A. I said to him, "We know you are living here with another woman as man and wife, not your real wife, Joan Emily Wills", and he admitted to that.

I suggest that this is strictly a supposition on the part of the detectives. It is pointed out in this evidence that there was a store downstairs, that there were living quarters on the second storey and that there was another apartment on the third floor. So when the investigators, sitting in their car, saw a woman enter this building I suggest it would be impossible for them to be able to say with any certainty that she was the particular woman concerned at that moment. I think it would have been difficult for them to have ascertained just where she was living in this set-up, because there were at least two other living quarters in this building as well as a commercial store.

Anyway it all fits in very well, because it appears that this is exactly what is wanted. I am told, and others are told, that in cases of this kind certain things are desired, and it certainly seems that the respondent in this case has admitted to anything he was asked.

An hon. Member: Read on. It gets more interesting.

Mr. Peters: I notice that we are having no difficulty in keeping a quorum. In at least one other case I read the detectives insisted the parties use their proper names and indicated that the names appearing on driving licenses might not be sufficient evidence because they could be false. In this case she said her name was Violet Mitchell and he accepted it without question. The questioning continued:

Q. How was she dressed?

A. She had at least the top of blue and white pyjamas we could see. They both had admitted that they were living together as man and wife at the premises 4196 Wellington street. We were at the doorway of the bedroom and they both could hear us talking when the admissions were made.

If they could hear the admissions made the admissions must have made by the detectives themselves, but no matter. I continue:

Q. The two of them were together?

A. Well, he was standing with us in the doorway and she could hear everything, she was sitting in the bed.

Q. What did he say?

A. He admitted—

Q. I know, but what did he say?

A. Well, he said that it was not his fault, that his wife had left him and that it was the fault of her parents, and lots of stories like that, like many of them do. We told him that we were not interested and that if he wanted to do anything about it he should see his own lawyers afterwards.

Q. Well, he blamed it on her parents, and what did he say?

A. He said it was the fault of her parents.

Q. What about the fault of her parents?

A. I didn't ask him questions. I said that we had nothing to do with it, we had everything we needed and he could get his own lawyers and do what he wanted afterwards.

Q. There is no admission there.

A. He admitted that he was living with another woman other than his wife, I think I said that before, Joan Emily Wills.

Q. Well, you asked him that?

A. And he admitted to that.

Q. He said "Yes" to that?

A. Yes.

Q. So that is the admission?

A. That is the admission, yes. The house consisted of another room, and from the front to which was a gallery completely empty, and there was a kitchen on the left-hand side as you entered, and another vacant room off the kitchen behind the double room.

A second detective, Mr. Gerry Brault, appeared on behalf of the petitioner and having been duly sworn testified as follows:

By the Clerk of the committee:

Q. What is your name?

A. Gerry Brault.

Q. Where do you live?

A. Montreal.

Q. What is your occupation?

A. Investigator.

By Mr. Jacobs:

Q. I show you exhibit 2, which has been filed, a photograph, can you identify the man in that picture?

A. Yes, this is Mr. Leslie Meehan.

Q. Were you with Mr. Etheridge on January 19, 1959, when you saw Mr. Meehan?

A. On January 19, 1959. I accompanied Mr. Etheridge following the activities of Mr. Meehan, at 4196 Wellington street, Verdun around 4.45, up to 11 o'clock, when we went to the door on the third floor at 4196 Wellington street, Verdun, Mr. Etheridge knocked on the door, and Mr. Meehan

came and opened the door, wearing blue pants, brown shoes—over his pyjamas; bare chest. Mr. Etheridge identified himself to him, and he admitted that he was Leslie Meehan, and he admitted that the picture in our possession was his, and we walked into the bedroom and a woman was lying in the bed, and when Mr. Etheridge asked her her name she sat in the bed; she was wearing blue and white pyjamas and she had her hair in pin curls; she gave her name as Violet Mitchell; and they both admitted living together as man and wife. Mr. Etheridge told both of them that they would hear from his real wife's attorneys in the near future, and we left the house.

It is unfortunate we cannot refer to other matters.

An hon. Member: Are you getting tired of reading? Why not keep on reading?

Mr. Peters: No, I am at the end of the page.

The Deputy Chairman: Order.

Mr. Peters: This is a simple case. The detectives got all the evidence they needed. Nothing was left to chance. The girl gave her name and they accepted it. I assume they felt they could serve her at that address because she was not asked for her address. Unless the wife has a wealthy boy friend then I presume the money for this divorce is coming from her parents with whom she went back to live. All the indications are that an agreement was reached between all the parties. I suggest they had a rehearsal and maybe the corespondent liked the respondent's company and moved in. It appears that her address will be the same as the respondent's. There has been no attempt to prove adultery. We are asked to dissolve the marriage on the grounds of adultery. We know what adultery is although many hon. members formerly were not aware. These detectives do not indicate that they yet understand what it is and Canadians generally are not aware of what we consider as adultery.

Point No. 6 of the petition reads as follows:

That your petitioner has ascertained that the respondent, Leslie Patrick Meehan did commit adultery on January 19, 1959, at 4196 Wellington street, Verdun, with Violet Mitchell, who resides at 4196 Wellington street, Verdun.

I hazard a guess that he did commit adultery with her but no one could ascertain that from reading the evidence before us. It is only a supposition on my part that adultery took place. If we were well read we could probably tell you what book she was reading when the detectives visited.

Parliament could grant this divorce and hon. members feel that they had done a good job. No children are involved. The parties are young and at least one could go on to make a good marriage. I do not think we should insist, therefore, on a closer examination of this obviously flimsy, fabricated evidence.

Mr. Howard: Before we proceed further, I wonder whether I might make a few comments about this. But first, because of the reference of my hon. friend from Timiskaming, may I say that it is not my intention to engage in any discussion about the excellent, enlightening and revealing telecast which took place last night.

There are a few matters with which my hon. friend from Timiskaming dealt. He indicated that the evidence was presented generally in a clear-cut way but there are a few things on which I think perhaps I should comment. The hon. member for Victoria, (B.C.), who is an esteemed member of the legal profession and who is now substituting for the hon. member for Halifax who is engaged on other matters in the province of Nova Scotia, I understand, will perhaps clear up this point when I make reference to it.

One of the first things that came to my mind—I only do this because of our reading and examination of evidence in other cases and thus compare this with the others—is the following which appears on page 11 where the first question directed to Mr. Etheridge is answered in this way. First, he identifies the picture as being that of the respondent; he gives the name of the respondent and then he says:

And a picture you gave to us when you retained our services in the fall of 1958.

Other evidence given by the petitioner was to the effect that the wife stopped living with her husband in December of 1958. I know that in quite a number of other cases, Mr. Chairman, whoever is counsel for the petitioner inquires of the petitioner when she or he came to see him, when those services were retained. In other cases, the time is given, the particular month of the particular year when she or he first went to see the lawyer about whatever difficulties he or she had with the spouse. In this one we find that while the petitioner ceased living with the husband as husband and wife in December, 1958, as shown by the petitioner's evidence, in fact the petitioner had undoubtedly—if we give full credit to Mr. Etheridge's testimony—retained the services of Mr. Jacobs, or went to see Mr. Jacobs, sometime before they actually stopped living together, because he retained the services of Messrs. Etheridge and Brault of the Reliable Detective Agency, bureau, or whatever it is, in the fall of 1958.

I do not say there is any conflict there. I do not say that this is a point that is earth-shaking or is going to influence us or upset

us in the consideration which the committee should give to this particular case; but I would have thought that it would be well for this point to be cleared up and some specific reference made to when the young lady went first to see the lawyer. As I say, I do not think it has any bearing on the case. Perhaps it is one of the things on which, for use and for understanding in the particular case before us and for use and our guidance in the future, the hon. member for Victoria, (B.C.) might be able, from his legal experience, to give us an indication of just how it happens in this particular case that there seems to be a little conflict in the time.

I also wish to reiterate, if I may do so without transgressing on the rules by the use of repetition and, to make reference to, as the hon. member for Timiskaming has done, the fortuitous circumstances which existed and which led the detectives at eleven o'clock, or eleven thirty o'clock in the evening just to walk into somebody's apartment. I say, as I have said on many other occasions, Mr. Chairman, this just does not happen with the degree of regularity that we are asked to believe it happens. It may happen in an isolated instance. It may be that in this instance the respondent is in the habit of opening his doors at eleven o'clock in the evening after all the lights are out, after he has been in bed, to people who—it was two people, incidentally in this case—are complete strangers.

Mr. McPhillips: The hon. member must restrict his remarks to the bill and those discursive remarks as to what may be done in certain circumstances, while they may be interesting, have no relation to the bill. His remarks must be related to the bill.

Mr. Howard: May I make a comment on the point of order and say I do not think it is a point of order because my remarks were related to this bill, were related to the evidence given by Mr. Etheridge. I just happened to read the evidence. If my hon. friend from Victoria, (B.C.) wants me to read the evidence I can do so. The evidence given by Mr. Etheridge is that he and his partner at eleven o'clock in the evening went up and knocked on the door; the door was opened and they were given free access to the apartment. I say it is highly unlikely that this did take place.

Mr. McPhillips: On a point of order, if my hon. friend wishes to read the evidence—

The Deputy Chairman: Order. The hon. member for Skeena is still talking on the point of order.

Mr. McPhillips: He is not speaking to the point of order; he is making a speech.

The Deputy Chairman: Order.

Mr. Howard: I am not sure which point of order I am discussing now; I think it is the first one. I was saying that my remarks were completely in order and completely relevant to the particular bill before us because the bill asks us to dissolve the marriage on the ground of adultery. It is mentioned in the bill itself and I am talking about that particular evidence and the manner in which the evidence of adultery was obtained. I am casting doubts on whether we should accept that or not.

The Deputy Chairman: The hon. member for Victoria (B.C.) is going to raise another point of order?

Mr. McPhillips: Mr. Chairman, all I want to say is that the hon. member is entitled to comment on the evidence, but he is not entitled to comment upon generalities of the giving of evidence in these cases, as he has been doing.

The Deputy Chairman: I am sure the hon. member for Skeena realizes that he cannot discuss procedure. That is the point the hon. member for Victoria (B.C.) is making.

Mr. Howard: That is not my intention or desire, Mr. Chairman. I am just pointing out —if I can repeat this to get it clear on the record and clear in the mind of the hon. member for Victoria (B.C.)—that this adultery was alleged to have taken place on the third floor of a three-flat building. To quote from the evidence of Mr. Etheridge, about half-way through, he says this:

> At 10.35 we noted that the third floor was in complete darkness. At eleven o'clock—

Twenty five minutes later, allowing for what they thought was necessary time in their experience to elapse, he continues:

> At eleven o'clock we went to the inside stairs and groped our way to the third landing.

They groped their way up three flights of stairs. I imagine this must have been in complete darkness, or perhaps the two detectives were not able to see too well on this particular evening. In any event, for one reason or another, they had to grope their way to the third landing. Once they got there they knocked on the door and the respondent came to the door and asked who it was. They told him they were from the Reliable Detective Bureau; they wanted to speak to him, and these were the open sesame words that allowed these two gentlemen, complete strangers to the respondent, to walk into the apartment and ask all manner of questions which have been gone into quite extensively by the hon. member for Timiskaming. I submit, Mr. Chairman, and

I think I am perfectly in order in doing so, that this sort of thing just does not occur. At the risk of offending the hon. member for Victoria (B.C.) again, may I reiterate that the respondent in this instance may have developed a habit of opening his door to all and sundry at eleven o'clock in the evening—

An hon. Member: Maybe he opened the door to let the cat out and they walked in.

Mr. Howard: He let a couple of somethings in. I would not call them by the designation the hon. member has used. In any event, unless he is in the habit of doing this sort of thing in the case of anybody who happens to come along at eleven o'clock in the evening, it is stretching the point quite a bit to ask us to believe that it occurred in this way, especially after groping up three flights of stairs in darkness to get there.

There is another matter to which I wish to make reference. It has to do with the evidence of Mr. Etheridge and Mr. Brault and the so-called admission that the respondent and the corespondent were living there as man and wife and that they both admitted this was so. I should like to quote part of the evidence of Mr. Etheridge starting at the bottom of page 11 and going over to page 12 in which he relates the story of his conversation with the respondent. He talked about an admission and said:

He admitted that he was not living with his real wife—

He gives her name.

—but admitted that he was living with another woman.

I do not know if this question was asked by Mr. Jacobs or Senator Roebuck but I would take it to be Senator Roebuck.

Q. Tell us about that admission. What was said that led to such statements?

A. I said to him, "We know you are living here with another woman as man and wife, not your real wife—

He gives her name.

—and he admitted to that.

So we have secondhand information that the respondent admitted that he was living there as man and wife with someone who was not his legally married wife. He goes on from there to describe the setting of the bedroom and the apparel of the corespondent.

Mr. McPhillips: Mr. Chairman, I must object again. If the hon. member is going to quote from the evidence he must quote from the evidence and not extemporize. He must use the words of the evidence. They are right there before him. Let him use them and not extemporize, thus leading the committee to think that he is putting better words into the record.

[Mr. Howard.]

Mr. Howard: On the point of order, Mr. Chairman, I can only say that the hon. member for Victoria (B.C.) seems to have the ability today to raise all sorts of inaccurate things which are not in fact points of order. This question has been dealt with on a number of occasions. In fact, we have had points of order raised by my hon. friend's colleagues that we should not be reading the evidence and your ruling was that we could read it, discuss it and make reference to it in any way whatsoever with the qualification that we must deal with that part of the evidence relating strictly to the material in the bill before us. That is what I am attempting to do. I am not trying to put any better words on the record. I am merely following the rules of the house about repetition. If I were to read from the evidence the description of the bedroom, what he or she was wearing and so on I would be repeating what the hon. member for Timiskaming read when he was discussing this case. I want to stay within the rules. All the hon. member for Victoria (B.C.) is doing is inviting me to violate the rules, and I do not think I can accept his invitation.

Then there was another question, "How was she dressed?" and the first statement is that she was wearing certain things. Here is the next one and it is this statement I want to take issue with.

Mr. McPhillips: Why don't you read it? Why don't you give the answer?

The Deputy Chairman: Order. Will the hon. member for Victoria (B.C.) please resume his seat? Will the hon. member please sit down? When the hon. member wishes to rise he must address the Chair. The hon. member for Skeena has the floor.

Mr. Howard: I do not want to cause—

Mr. McPhillips: The hon. member for Skeena has the floor but I am rising on a point of order.

The Deputy Chairman: I will be very happy to hear the point of order.

Mr. McPhillips: We usually find that these members say they have the floor when we raise any point, but I wish to say this. The hon. member for Skeena read a question and then he proceeded to give his own extemporaneous version of the answer. I contend that is completely out of order. If he reads a question from the record then he must read the answer and not give us his interpretation of the answer.

The Deputy Chairman: Order. The hon. member—

Mr. Howard: May I speak to the point of order?

The Deputy Chairman: Certainly.

Mr. Howard: I do not know what the difficulty is with the hon. member for Victoria (B.C.) today but apparently it is something that should not find expression in this house. I read the question that was asked. The question was, "How was she dressed?" The first part of the answer as to what she was wearing is not relevant to the point I wish to make. I was about to read the second part which is relevant to the point I wish to make and unfortunately the hon. member for Victoria (B.C.), with his blood pressure and other problems jumped to some conclusion just to get on the record and caused some confusion.

Mr. McPhillips: That is not my problem. I know what yours are.

Mr. Howard: I submit that is not a point of order.

The Deputy Chairman: With respect to the question of whether or not the hon. member should read the question in the evidence and then the exact words of the answer, the hon. member can give his own interpretation of the answer as long as he does not change the meaning. The Chair sees nothing wrong with that.

Mr. Howard: You have been wrong four times, today, Bert.

The Deputy Chairman: Order.

Mr. Howard: Here is the answer to which I wish to refer, and to avoid any exercise being necessary on the part of the hon. member for Victoria (B.C.) I will read it.

> They both had admitted that they were living together as man and wife at the premises—

Then the address is given. I hope the hon. member for Victoria (B.C.) will not raise a point of order about that because it is not my practice to read the actual address or the names of the individuals in order to prevent any undue publicity. The witness said:

> They both had admitted that they were living together as man and wife—

Up to this time, Mr. Chairman, they both had not admitted they were living there as man and wife. The only person who admitted they were living as man and wife was the respondent. It was given in previous evidence that he had so admitted. The only evidence before or after that as to what the corespondent said is that she gave her name, and it is put in quotation marks. That is the only evidence here as to what she said. I submit that the evidence does not show that she admitted they were living as man and wife. Only one person admitted it and that was the respondent himself. The witness went on to say:

> We were at the doorway of the bedroom and they both could hear us talking when the admissions were made.

I assume he is talking about the admissions by the respondent that they were living there as man and wife. He is undoubtedly jumping to the conclusion that the corespondent agreed with this admission by silence, but nowhere in the evidence does it appear that she admitted that they were living there as man and wife. Mr. Brault said exactly the same thing in his evidence on page 13. He said:

> —and they both admitted living together as man and wife.

I submit this is not true. Mr. Etheridge and Mr. Brault either did not give the full evidence in the first place as to what was admitted or they are not giving the correct evidence. Now they say both people admitted it, and there is a conflict between them. Unfortunately that has been the pattern with these gentlemen. They have been too carefree in the manner in which they have given evidence before the committee of the other place, knowing full well that as long as their sketchy evidence meets the basic test that is all that is necessary. If there is any laxity or incorrect evidence this is a minor detail.

I think there is another thing which should have been cleared up in conection with this case. Again I would indicate to you, sir, and through you to the hon. member for Victoria (B.C.), that in my following remarks I wish to make a brief reference to the way in which I think evidence should be given, and relate it to evidence which we have heard in other cases. I only do this in an incidental way for the sake of comparison, and I think I will be in order in so doing. This is alleged to be a so-called common law relationship, that is a man and a woman not legally married but living together as man and wife.

In other cases—this is where I may run foul of the rules, but I do not think I will—the test to be met in determining whether or not a common law arrangement is proven is how long they have lived together. How long has this relationship existed? In some instances we have found the relationship existed for two, three or more years, at least for long periods of time. In one case with which we dealt a few days ago the period was only two months, and you will recall that I wondered whether or not that was a sufficient period of time in which to establish a common law relationship.

In this instance, so far as we know from the evidence, the common law relationship

existed for one evening, that is January 19, 1959. The evidence indicates that the respondent had seen the corespondent and had been seen in her company on occasions, and had been seen going in and out of this particular address where the adultery is alleged to have occurred on the 19th. However, so far as living together as man and wife is concerned, this relationship existed for one day, January 19, 1959. If that is the type of evidence that the investigators are going to give to the committee of the other place and are going to ask us in this house to accept as part of the corroborating evidence of the common law relationship, then they should also be prepared to go into the question of how long that man and wife relationship has existed. Otherwise, I do not think such evidence should be in there. We know that in giving weight to evidence submitted, in this instance to the committee of the other place, and certainly so far as the courts themselves are concerned, if proof can be given that there is a common law relationship then the court and the committee of the other place will give a great deal of weight to that as, in fact, proving the alleged adultery.

When we talk here about people living together as man and wife, the same design is there. It is an attempt to prove, through the common law relationship, that adultery could have or was likely to have taken place. If these gentlemen, Mr. Etheridge and Mr. Brault or the lawyer who is handling this case, expect us to give weight or that degree of weight which is necessary to the evidence concerning a common law relationship, then they should be duty-bound to put in evidence concerning the period of time during which that common law relationship has existed. In my opinion, regardless of what these gentlemen say about the time during which the common law relationship existed, they lived together as man and wife for one evening only, which would put this case in the same category as the motel and hotel cases.

Mr. McPhillips: That is sufficient, is it not?

Mr. Howard: My friend's voice is getting out of whack. That may be sufficient if they are not going to talk about the common law relationship. In any case, where the motel or hotel type of evidence is used, it is obviously arranged in a large number of cases, regardless of Mr. Robinette of the law society of Upper Canada saying that he has no knowledge of this sort of thing. I think he is talking through his hat. There is knowledge that a great deal of collusion exists in these one-night stands or hotel and motel cases.

This is substantially what exists here, and we must look at it in that light, especially when there is no reference as to the time they have been living together as man and wife. I raise this point, not to object to the granting of the divorce, but to point out to hose lawyers who are making a living off these unfortunate cases, and to the investigators who are making their living off these cases, that they had better be a bit more careful in the future in their presentation of the evidence. If parliament is going to have to deal with these cases in the future, and I hope we do not, I think we should raise this point. As I say, I do not raise it to object to the case, I merely raise it because, as my friend from Timiskaming said, the evidence was presented in a sloppy fashion without too much regard for the fact that there was conflict between the evidence given by the two investigators. If they wish to have the evidence that they give considered in the future then they should smarten up and attempt to present their points in a proper fashion without these conflicts.

Clause agreed to.

Preamble agreed to.

Bill reported.

The Acting Speaker (Mr. Rea): When shall the said bill be read a third time, now?

Some hon. Members: Agreed.

Mr. McPhillips (for Mr. McCleave) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Bourget: Can the leader of the house give us the order of business for Monday and Tuesday?

Mr. Churchill: For next week, the legislative items will be No. 5 on today's order paper, second reading of Bill No. C-58, to amend the Combines Investigation Act and the Criminal Code. This will be started on Monday. If that is completed, we will follow with budget resolutions; No. 9 on today's order paper, which is second reading of Bill No. C-64, to amend the Emergency Gold Mining Assistance Act; and then three items, Nos. 1, 2 and 3 on today's order paper, which deal with harbour commissioners. This would be the business for Monday and Tuesday.

On Wednesday, we would start with item No. 6 on today's order paper, Bill No. S-28 respecting a certain trade agreement between Canada and Australia. If that is concluded

we would continue with any of those other legislative items I have already mentioned. The arrangement for Thursday and Friday is expected to be consideration of the estimates starting with transport, followed by post office, mines and technical surveys and fisheries.

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

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

DEPARTMENT OF AGRICULTURE

Special—

Irrigation and water storage projects in the western provinces including payments in the current and subsequent fiscal years in accordance with the agreement of July 25, 1958, relating to the South Saskatchewan river project; the Prairie Farm Rehabilitation Act program; and land protection, reclamation and development—

31. Administration, operation and maintenance, $7,602,105.

32. Construction or acquisition of buildings, works, land and equipment, $16,422,810.

33. Maritime Marshland Rehabilitation Act including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the province of Nova Scotia of the cost of the Annapolis river aboiteau-causeway project, $1,634,555.

34. Prairie Farm Assistance Act administration, $672,947.

Loans, investments and advances—

Agriculture—

483. Loans to settlers in the Bow river project in the current and subsequent fiscal years in accordance with regulations of the governor in council, $250,000.

HOUSE OF COMMONS

Monday, May 30, 1960

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

MORNING SITTINGS ON AND AFTER JUNE 1

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That commencing on Wednesday, June 1, and on every sitting day thereafter until the end of this session, the hours of sitting shall be as follows:
Monday: 11 a.m. to 1 p.m.; 2.30 to 6 p.m.; and 8 to 10 p.m.
Tuesday: 11 a.m. to 1 p.m.; 2.30 to 6 p.m. and 8 to 10 p.m.
Wednesday: 11 a.m. to 1 p.m.; and 2.30 to 6 p.m.
Thursday: 11 a.m. to 1 p.m.; 2.30 to 6 p.m. and 8 to 10 p.m.
Friday: 11 a.m. to 1 p.m.; and 2.30 to 6 p.m.
and that the provisions of standing order 2 (1) and 6 (3) be suspended in relation thereto.

He said: Mr. Speaker, I wish to make a reference to the motion. With the leave of the house I would ask that my hon. friend the Secretary of State for External Affairs move to amend the motion in its present form deleting the words "and 6 (3)" from the second last line. The application will be made later on unless it is now accepted.

Mr. Speaker: By leave of the house I expect that the motion could be moved with those words deleted. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: The motion will be taken as moved with the deletion of the words "and 6 (3)".

Mr. Diefenbaker: Mr. Speaker, I do not intend to do more at this time than introduce the motion and make one or two very short observations. I will endeavour to cover the matters that may be raised during the course of the debate on the motion when I have the opportunity to reply at the conclusion of the debate.

I would point out that last year a motion like this was introduced on the 92nd day of the session. Today is the 91st day of this session. While the uncompleted portion of the legislative program and the various items remaining to be dealt with by the house was, I think, somewhat longer last year than this, I might point out that last year prorogation took place on July 18.

I express the hope that we shall be able so to order the progress of the debate on the various items referred to in the speech from the throne that we shall be able to cover them with expedition without in any way sacrificing the fullest debate. By that I do not mean in any way to direct or to hamper the fullest debate. I anticipate that by about the first week of July we should be able to conclude the business of this session.

There are some who speak of delaying actions which have taken place. I do not take any stand in that regard. I simply point out that when the progress of business in this house is compared with that in the mother of parliaments it is often forgotten that under their rules the time for debate on the speech from the throne, the budget and the like generally runs from two to three days; whereas under our rules the speech from the throne requires 12 days, including the opening day and the day devoted to the mover and the seconder. The budget debate requires eight days. Then we have private members' Mondays, of which we have had six. They are provided for under the rules. There are private members' Thursdays, of which we have had three.

Then we have a procedure which is not followed in the British house to the same extent, and certainly not to the degree provided for by our rules. We have six supply motions of two days each. Up to the present date we have had five of those supply motions. In other words, under the rules as they are, regardless of whether or not we agree that they should be as they are, so far this session we have had 39 days which have been taken up as a result of the rules which exist at the moment.

Then on supplementary estimates a longer time has been taken. Usually those estimates in general have been pretty well covered in the previous session. This year, however, 10 days have been devoted to supplementary estimates and three days to interim supply. On the other hand, the other measures that have been before the house have taken, generally speaking, one to two days with the exception of the resolution and bill on the Trans-Canada Highway Act, which took four days, and the resolution and bill on the Federal-Provincial Tax-Sharing Arrangements Act, which took eight days.

I am not making any criticism of the fact that the debate on that resolution and bill took eight days, but I do not think there would be many who would deny that at the

end of two days almost everything that could have been said had been said.

However, that is what parliament is for, and I am not raising any objection. When I said a few moments ago that I hoped we could so order arrangements for the rest of the session as to finish by the time I indicated, what I had in mind was that we adopt a kind of voluntary sacrifice of opportunity in not carrying on debates beyond that limit within which every possible argument has been advanced. However, even on the basis of the record to date I still believe it will be possible, with the co-operation of hon. members in all parts of the house, to bring about prorogation early in July.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, we on this side of the house have listened with interest to the remarks made by the Prime Minister on the motion to have the house sit in the mornings and begin a drive to bring the session to an end. In that respect I should like to say that we will co-operate to the fullest extent to the end that the session may be brought to a conclusion early in July if that is possible or, if not, we will come back for a fall session if it is the wish of the house.

There are some things that must be kept in mind. In the first place, we feel very strongly that certain matters must be debated at greater length than others. The Prime Minister has brought to the attention of the house a number of matters that have taken some time, and having sat on the other side of the house as he does now I realize, of course, the position in which the government finds itself. I can well remember how former prime ministers have sometimes taken the exact position which the present Prime Minister is taking now, but with very little co-operation from the opposition in those days. At that time the opposition felt that certain items of legislation should be discussed at greater length.

There is one thing I wish to bring to the attention of the Prime Minister in this regard. While it is true that we have taken 91 days to discuss certain matters, including 39 days in the discussion of the matters he mentioned earlier, 10 days for supplementary estimates, 3 days for interim supply, 4 days, I believe he said, for the Trans-Canada Highway Act and 8 days for the discussion of university grants, I should like to draw to his attention the fact that in the discussion of a number of these pieces of legislation there were more speakers from the government side of the house than from the opposition and the C.C.F. put together. I have reference now to the debate on university grants, where we were met not only speaker for speaker but in some instances by a proportion of two or three to one.

Mr. Fleming (Eglinton): Oh, no; just speaker for speaker.

Mr. Chevrier: I am not complaining at all about that situation, but I am saying to the Prime Minister that unquestionably there is no doubt that if there has been any delay in a number of these cases it is not our fault. I might also refer to the agricultural estimates, which we were almost ready to put through the other evening, but speaker after speaker on the other side of the house rose and held up those estimates.

There are one or two other things I should like to draw to the attention of the house. We do not have before us yet a complete list of the items of legislation that have to be dealt with, but if effect is to be given to the speech from the throne we do know there are a number of items of legislation and, of course, the vast majority of the estimates which must be disposed of. There is, of course, the bill of rights which will require some considerable discussion, and if it is the intention to proceed with that bill at this session I hope the government will see fit to send it to a committee of the house.

Then there is the very important revision of the Civil Service Act, which I am sure is of tremendous importance to all of us. I am wondering whether any consideration has been given by the government to the introduction of this bill, giving it first reading and referring it to a committee so it might be studied, as was done with other measures during the past two sessions. I think that is a matter which might well be considered.

There is, too, the matter of capital punishment which was to have been debated further, and upon which there was to have been a free vote by all members of parliament. Within the last two weeks no indication has been given of what action is to be taken in that respect, so that debate has been left hanging, if I might use an expression.

I cannot resist drawing to the attention of the Prime Minister three matters that are on the order paper today. First there is his own motion for these sittings, and on the opposite page there are two motions to set up committees, one concerning the committee on agriculture and colonization—

Mr. Harkness: No, it has been set up.

Mr. Chevrier: —or to refer to the committee on agriculture and colonization certain matters concerning the prices of farm

machinery. The other motion is for the establishment of a select committee on broadcasting. It seems to me that at least the second matter, if not both matters, could have been brought forward a long time ago. We on this side of the house have been asking for the establishment of the broadcasting committee, and to establish it when we are going to sit in the morning and when, in some cases, it will be very difficult for the committee to sit while the house is sitting, seems to me to be placing great difficulty in the way of the work of this committee.

I know the Prime Minister is extremely anxious to give the committees of the house work so that his members, and all the members of the house, can be kept actively engaged. The setting up of this very important committee now gives some indication of the fact, in the first place, that it will not be possible, if we are to complete our work by the first week of July, to deal effectively with the important matters which should be referred to that committee. In so far as the price of farm machinery is concerned, I do not know why it was not possible to refer that matter to the committee earlier.

I could perhaps say there are some matters which, in our opinion, could be disposed of rather quickly and on which long debates would certainly not be necessary. I will not take the time of the house by mentioning them now. I have given some indication of them to the house leader. There are others, on the other hand, where lengthier debates will be necessary and a greater length of time will be taken up in the consideration of what we believe are important matters.

In the light of all this I want to conclude by saying that we will co-operate to the fullest extent. We feel that we should take the time which in our opinion is essential to dispose of some of the matters which are already on the order paper, and some other matters which although not on the order paper have been mentioned in the speech from the throne.

Perphaps I could make this request of the Prime Minister. In the light of what I have said and what others may say, might it not be advisable to give effect to this motion on Monday June 6 rather than on Wednesday, June 1? However, if the Prime Minister feels that it should remain as it is, we on this side of the house will support it.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, we in this corner of the house have listened with a great deal of interest to the statement made by the Prime Minister and that by the spokesman for the official opposition. It is quite obvious that, as far as the government is concerned—and now with the agreement of the official opposition—everything will be done to get rid of parliament as soon as possible.

Once again, Mr. Speaker, as is customary at a certain point in every session, we have the Prime Minister introducing a motion such as the one we have before us this afternoon, to the effect that starting on Wednesday and henceforth, Monday through Friday, the House of Commons shall meet at eleven o'clock in the morning.

I expected something different from the present Prime Minister, Mr. Speaker. He has had a unique experience. Today he is the Prime Minister of Canada. It is not so long ago that for a short time he was leader of the opposition. For many years prior to that time he was a private member. He therefore knows perhaps better than anyone else in the House of Commons the responsibilities, the work and the strain involved in being a private member, leader of the opposition and Prime Minister. Yet with that knowledge and experience he introduces today this motion we have before us.

We in this group in this corner of the house want to say that the motion is absolutely unfair and unrealistic. It is designed to do something that I never thought the present Prime Minister would ever do, namely to bring about a situation in support of cabinet government and not of House of Commons government.

Some hon. Members: Sit down.

Mr. Speaker: Order.

Mr. Winch: That, Mr. Speaker, is the point to which I am coming. There are too many members in this House of Commons who want to go home instead of staying here to do the job for which they were elected. Not one of us was ever compelled to accept a nomination. We accepted that responsibility knowing that we live in a democracy and that, should we be elected, 265 men and women of Canada are given the power and authority by 17,500,000 people in Canada to endorse laws, rescind laws, amend laws, impose taxation and spend the taxpayers' money. When we accept nomination and are elected, there is no question in our minds as to whether we have to sit in Ottawa for two months, five months, eight months or a year. Then why is it that in the most responsible jobs, the greatest honour that a man or woman can have, we are expected to try to see how fast we can get out because we do not like the heat or the humidity of summer in parliament? Why is it that when there is such a fight by the trade unions for respectable hours

of work, those who have the greatest responsibility in Canada—those who make the law, amend the law, impose taxation and spend the money—should be told every year, I think it is after 90 days, or 91 days, "You will have to speed up"?

Through you, Mr. Speaker, I want to say this to the Prime Minister. The right hon. gentleman knows that a private member of the House of Commons has responsibility to his constituents; he has to conduct correspondence; he has research work to carry on; he has speeches to prepare, and in addition he has committee work. At the present time—the same day this motion is being moved by the Prime Minister—there are 11 standing committees of the House of Commons which have not yet completed their work or submitted their final reports. These committees have to meet. In addition there is the special committee on defence expenditure. Notice has been given regarding the committee which is to consider the Canadian Broadcasting Corporation. We understand there is to be a committee on the bill of rights. We know the Minister of Justice intends that after second reading the important legislation on the Combines Investigation Act will go to the banking and commerce committee.

However, we are to meet at 11 a.m. When do the special committees or the standing committees meet? They meet from 9.30 until 11, or when the house is meeting.

An hon. Member: So what?

Mr. Winch: I want to say to some hon. members, because I know where that interruption came from, that if they got up and came here as early as I do they would not be rushed half as often as they are.

There are 11 committees which have not yet reported. There are two or three, perhaps four, special committees. If this house is to meet at eleven on Monday through Friday, then I ask you, Mr. Speaker, how does an ordinary member take care of his work on a constituency basis? How does he find time to attend to grievances, attend committees and attend the House of Commons at the same time? There is only one thing a member can do on that basis—

An hon. Member: That is, shut up.

Mr. Winch: That is exactly what they want us to do, shut up.

An hon. Member: That is right.

Mr. Winch: Well, we have no intention of shutting up on any matter which we feel is of importance to this country and with which we were elected to deal. Whoever said that may have that acceptance of responsibility. It is not the way responsibility is accepted in this group. We in this group want to do the job for which we were elected—

An hon. Member: Why don't you try it?

Mr. Winch: —and that is to deal properly, intelligently—

An hon. Member: Impossible.

Mr. Winch: —with all bills, all expenditures, all taxation and all committees. Further, I am going to say this. A person who is a responsible member of the House of Commons—and I think the majority fall into this category—cannot take care of his correspondence, do his research, prepare for speeches which are to be delivered extemporaneously and not read, and attend committees from early in the morning until late at night.

I know there are those who would like to get back to their private business. That is their responsibility. When they stood for election to the House of Commons it meant spending whatever time was required in the House of Commons and, I say, it means working decent hours under decent conditions and not being forced, as parliament is every year at a certain time, to go home. I would like to go home, too.

Some hon. Members: Hear, hear.

Mr. Winch: But I am not going as long as there is a job to do here for which I was elected and for which I am being paid. I would like through you, Mr. Speaker, to ask the Prime Minister whether he will not face up to what should have been faced a long time ago, and something which certainly will have to be faced in the very near future. Canada is a young country, a country with a growing population, growing potentialities and, I think, a growing influence. Incidentally, too, there are growing expenditures. Sometimes I am amazed when some of our members do not recognize that 265 people here are dealing, I believe, with a $6,500 million business. Not only that, but by the laws we make and the policies we follow we are dealing with the lives of 17,500,000 people. In a situation like this we cannot just say "I move that we start meeting earlier and sit longer". What is of importance on the last day of the session was just as important on the first day of the session and is entitled to the same thought, the same deliberate, conscientious, intelligent decision.

I imagine, Mr. Speaker, you have gathered that we are opposed to this motion. I ask the right hon. gentleman who is now Prime Minister to recall his experience during his long years as a private member and the little while during which he was leader of the official opposition. Does he not agree the time

has come for a change in the sittings of this house? Does he not believe that the rights of the people of Canada are such that we should not hurry away from here because we want to get home for the summer to avoid the heat and humidity of Ottawa, which are pretty rough? Does he not think we have the responsibility of arranging the sittings of parliament to provide for the fullest consideration of the people's business?

There is a lot of work still before the House of Commons. I wish to congratulate the Prime Minister on the work of the committees. They have improved and have more freedom than under the previous administration. Their reports are splendid. But there is still much work to be done. The estimates of only one department have been passed. We have passed only one department, agriculture, and are still on the first item of the estimates of the Post Office Department. The major legislation is still to be discussed. Instead of coming before the house, apparently by some agreement with the official opposition, to set a deadline by which to be out of here, and instead of considering our private interests, the temperature and engaging in collusion, we should consider the people's business.

If we cannot be out of here on a normal basis within a month or two let us use common sense and adjourn the house during the middle or end of this month and come back at the end of September or early in October or November. Is it not time that we as members of parliament thought of others? Do we ever think of the staff, the clerks, the stenographers, the security officers? Does the Prime Minister ever think of the press gallery? Oh, yes, I know he does.

For many years the hundreds of employees involved in the work of the House of Commons and Senate have not had a holiday with their children because parliament sits until the end of July or well into August. I do not care from what point of view you approach the question; the course of action I have referred to on the part of the government is unfair to the staff. We are the 265 men and women who make, change and break the laws, who impose taxation and spend the public money. We do not initiate it, but we have to vote on it. On that basis each of us should have a full opportunity to discharge his responsibilities to his constituents, to the committees of which he is a member and to this house.

Do you know what happens? Three or four times a week in the press mention is made of there being only 31, 32 or 33 members in the chamber. There may be a few laggards, but the majority of hon. members do their work even if they are not present in the chamber to be counted. They work in committees, are involved in research and are taking care of grievances. Now the government wants to increase the burden. I say to the Prime Minister through you, Mr. Speaker, that he has betrayed the principle of parliamentary rule and is leading us now to more definite cabinet rule.

Every government likes to get rid of parliament. I ask that this motion be not accepted. I urge every hon. member to remember that when he ran for parliament he agreed to serve the people of Canada. That does not mean for four or six months but for whatever period is required to give proper consideration to the people's business. That is the view of this group. So strongly are we of this view that I move, seconded by the hon. member for Burnaby-Coquitlam (Mr. Regier):

That the motion be amended by deleting, in line 2 thereof, the words "Wednesday, June 1" and substituting therefore the words "Friday, July 1".

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I rise to endorse the amendment proposed by my colleague. I noticed that while he spoke a number of backbench supporters of the government hollered at him to shut up. I regret that there are a number of hon. gentlemen who are more loyal to their political party than they are to the interests of the Canadian people.

One reason for my supporting the amendment is that I feel it is unwise to even attempt to accomplish the aim the Prime Minister has outlined and wind up our business in the early part of July. I know there is much important legislation yet to consider, and I had hoped that even more legislation would be introduced this session.

We have already received notice of amendments to the Combines Investigation Act. This is of importance and will call for extended debate. We were informed in the speech from the throne that we are to be faced with a bill of rights, and even the Prime Minister is under no illusions in this regard. The debate on this legislation is going to be extended, and this is putting it mildly. We had also hoped that at this session of the house we would have many other items of legislation in line with the undertakings that were given to the electorate both in 1957 and in 1958.

Meetings are about to begin of the very important committee to deal with the procedure of the house. I hope the Prime Minister does not imagine that this is a light matter; that this is going to be easily dispensed with at the threat of the whip of the government. I can assure him that the opposition intends,

as the saying goes, to dig in its heels on the committee dealing with procedure, because this is very important in a democracy. I hope this important committee will have no intention of being dictated to, or of being informed that it will have to wind up and have the house accept its recommendations before July 8 or any other date.

The very important committee on atomic energy has yet to hold its initial meeting. We have the very important committee considering the defence policies of the government of the day, and we cannot be expected to conclude this in any way, shape or form by July 8. We have information that the Immigration Act is very much in need of radical revision and that our whole immigration policy needs a debate of considerable extent on the part of the House of Commons. We expect this, and I do not see how we can arrange it before July 8.

We have had assurances that the government is interested in the small businessman, and we are expecting legislation in this regard. We have had assurances that the government is vitally concerned with the problems of our municipal governments, and we expect legislation in this regard at this session. We do not want it in the election session of next winter; we want it now, and the Canadian people expect the legislation now. We intend to remain here until we get the legislation.

We have had information that the government has a great ear for the pleas of agriculture. We intend to remain here until we see some legislation in this regard. We have had assurances that the veterans will be adequately dealt with. We intend to remain here until the veterans receive a little more than they have received hitherto from this government. We have had assurance that this government is intending to do something with regard to the tight money situation. We intend to remain here until some action is forthcoming in this regard. We have had an investigation in the field of social security. The Clark report has been tabled. We expect legislation implementing some of the findings that were reviewed in the Clark report. We have the important matter of our deteriorating foreign trade balance. We expect legislation at this session in regard to federal aid to education. Then there is the assurance of the Prime Minister and other leading members of the government that there will be a new deal in relation to national highways. We have, as the hon. member for Vancouver East has already said, many committees meeting. I can attend only about half the ones I am on.

I have four youngsters at home. They are in their teens. I have been here since 1953, Mr. Speaker, and the family at home is getting sick and tired of remaining at home throughout the hot months of July and August and never knowing whether the father is coming home in order to live with his family at the only holiday time that a family has in Canada these days. Year after year we have to live in hope that some nice morning the Prime Minister will get out on the right side of the bed and will give us and our families a break. It is becoming intolerable. I know a number of men, Mr. Speaker, who were going to be candidates in the next national election, but who have now informed me that because of their domestic responsibilities they will no longer be available.

Are we to have only men without families representing the families of Canada in this House of Commons, or are we going to decide that the responsible thing is to plan and to have, as most other democracies have and as most other democratic parliaments have arranged for, certain months in which we meet, and organize our business accordingly?

The government of Germany meets for 10 months of the year and has eight weeks of recess. The members of the Bundestag know their working period ahead of time. The members at Westminster in Britain, the mother of parliaments, are advised; they know when they will be home and when they will have to meet their responsibilities of office. Yet we in the Canadian parliament are supposed to be forever liable and subject to the personal wish of one man, the Prime Minister. I know that when I speak now I have the support, if not the spoken support, of many of his supporters in the government who are willing and anxious for the Prime Minister to announce that the government has agreed that we ought to have a little bit of law and order as to when we meet and when we adjourn.

As has been mentioned, this is a $6 billion business. I feel that we have no right to go through form and procedure such as the speech from the throne, the budget debate and the supply motions and then wind up everything else of any consequence in as big a hurry as we can. I realize there are members of this house who belong to the legal profession, and there are a few of those—and only a small number of them—who are interested in the assizes in the fall. They do not like the house to meet at the same time the fall assizes are meeting. However, most of the members of the house who belong to the legal profession have not yet reached the point where they have any interest at all in the fall assizes. I feel that those members of the House of Commons who are

leading lawyers should not have had such undue influence on the government—

Mr. Thrasher: Nonsense.

Mr. Regier: —in bringing about the introduction of a motion of this kind. Over the coffee table and elsewhere we often meet with members who are supporters of the government, and we know that most of them agree with our contention that there should be some order and planning, and that the interests of this limited number of individuals should be disregarded. If a member of the house regards his law practice as so remunerative and important that he cannot attend to the business of the nation, I would recommend that he should not accept nomination at election time.

We have laws in the interests of our working people. I agree that many of them only get one week's vacation a year, though some get several weeks. A very limited number get three weeks' vacation a year. However, the members of the House of Commons receive no holidays that are determined by law. We often obtain what holidays we do get because of the particular wishes of the government, and more often than not these holidays are useless so far as our domestic responsibilities are concerned.

I am the member for Burnaby-Coquitlam, and I should like to refer to the wonderful example of a man who died a little over a year ago, the late Ernest E. Winch. He was elected to the legislature of British Columbia in 1933, I believe, and from the time he was first elected his only source of income was the allowance he received as a member of the legislative assembly of British Columbia. He devoted the whole of his life to the public interest, and I think he should be an example to all members of this house, because we are in receipt of a much greater income than he was in his day. I should like to think that members of the house would not be adverse to returning here on October 1 and remaining here for the months of October and November. Let us have the months of July, August and September off, as well as the month of December. If we decide that this is to be the policy we can organize our business and our affairs to accommodate the conditions of our work in the House of Commons.

I believe that at this time the house would be most unwarranted in adopting the recommendation of the Prime Minister. I plead with members of the house to be more interested in the business of the nation from the long term point of view and in the responsibility that faces each member of the house, and to disregard at least for this one occasion the dictation of the government and vote in support of the amendment moved by the hon. member for Vancouver East.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I do not desire to detain the house for more than a few minutes, because I have noticed that when we have a motion on the order paper to save time or to prolong the time for discussion a substantial part of the time we would save or that would be gained is taken up in discussion of the way to save or prolong it. Therefore, Mr. Speaker, I will not be long; but the remarks of the hon. member for Vancouver East in one respect at least were such that I feel I have to make the position of our party perfectly clear. If I correctly remember what he said, and I took down his words, he made the statement that apparently we were co-operating with the government in order to get rid of parliament as soon as possible.

That is not the case, Mr. Speaker. We will be glad to co-operate with the government in doing what we can as members of the house to ensure that the house completes the business that the government puts before it with a minimum of delay, but without prejudice to our right and the right of every member of the house, on whatever side he may sit, to discuss fully, completely and thoroughly every measure that is submitted to the house. That is our responsibility, and we intend to discharge it. But within the limits of that responsibility we will co-operate in so far as we can to facilitate the business of the house.

However, Mr. Speaker, if that co-operation is to be of any value it is incumbent on the government, which has the responsibility, to organize the work of the session so that we can dispatch the business with a maximum of efficiency and a minimum of delay. That means that now, as we approach the period when we are trying to wind up the session, we should know what the business is for the rest of the session and where we stand in that regard. As we are discussing this matter today we have on the order paper for the first time, as has been pointed out by the hon. member for Laurier a motion to establish a very important committee. We should therefore try to co-ordinate in the best way we can, perhaps through discussions among representatives of all three parties, not only the work of the house but the work of the committees. If we can do that perhaps we will be able to accomplish more than we otherwise would merely by passing this kind of motion.

My hon. friend has suggested to the Prime Minister, and I repeat the suggestion, that

we would prefer to have the motion altered so that the longer hours of sitting, the difficuties from which we all appreciate, will begin on Monday, June 6, instead of Wednesday, June 1. I put that suggestion to the Prime Minister. I hope he will feel it is possible to accept it. If he does, and if we can get together to organize the business of the session, which means that we must know now what that business is going to be, perhaps we will then be able to finish, although it certainly looks unlikely at the present time, some time around the middle of July. But if the Prime Minister and the government so desire, because it is their responsibility to make the decision, we will be prepared to adjourn and come back next autumn. Either of these courses is quite satisfactory from the point of view of the official opposition, but whatever course is adopted I hope we will know with the least possible delay what we are going to have before us for the remainder of the session.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to make a comment or two on the amendment now before us. With all due respect to the Leader of the Opposition, I am sure he could say substantially the same things in perhaps half an hour that he says in the two hour speeches he makes from time to time. As far as being a time-waster is concerned, perhaps the Leader of the Opposition falls in that category—

Some hon. Members: Shame.

Mr. Howard: —equally as much as the Minister of Finance (Mr. Fleming). Knowing the interest the Liberal party has developed in recent months with regard to a number of extremely vital and important issues facing the country, and after listening to what the Leader of the Opposition had to say a moment ago, I rather expect that if members of that party expound their ideas and theories in full on the items now before us we will be here until August or September without any difficulty.

I did not intend to make any extensive remarks on this subject, Mr. Speaker. I was rather interested in hearing, and I thought it was rather unconsciously expressive of an attitude that is developing amongst certain private members sitting on the other side of the house, their outbursts of "shut up" and "sit down".

Mr. Speaker: Order. I am sure the hon. member will permit me to remind him that the question before the house is whether the effective date in the motion should be June 1 or July 1. I hope he will come to that point. If he had any comment to make on any matter of order in the house he should have made it at the time the matter arose.

Mr. Howard: The point to which I am directing my remarks is the amendment, in an attempt to show why the amendment should be accepted at this time. I am attempting to advance some of the reasons for putting the date forward to July, and to show why these additional hours of sitting were introduced in the first place. I think this feeling, which was expressed probably unconsciously, developed out of the frustration—

Mr. Speaker: Order. I have already cautioned the hon. member that he is not in order in discussing that matter.

Mr. Howard: We should like, by this amendment, to put off as long as we can this undue rush which is contemplated in the initial motion presented by the Prime Minister. We have seen in other parliaments in Canada, notably in the province from which I come, British Columbia, this tendency to legislate by exhaustion. It may be that the same trend is developing here. The attitude of the government toward the introduction of items is that the time at which a measure is introduced is the prerogative of the government. They hold off the introduction or hold back the progress of items which are controversial and which require the greatest amount of consideration and research work to prepare for debate.

I have noticed this tendency during past sessions too, Mr. Speaker, and I am quite sure it is something that existed when the Liberal party was in office. They delay items of extreme importance to the country and to parliament until the latter part of the session, and make the introduction of these items coincide with the speed-up of the session, hoping thereby, as I said, to legislate by exhaustion. The members of the opposition, because of the fact that they are in opposition, have to do an extra amount of research and study, an extra amount of debate and discussion on these items as compared with government backbenchers who, generally speaking, do relatively little in this field.

This motion, therefore, is for the convenience of the government, not for the convenience of parliament or as the result of concern over the effect these pieces of legislation will have on Canada. Certainly, I am quite sure, the Prime Minister would like to see his bill of rights introduced, debated and passed within one afternoon or within the shortest possible period of time. The item of business with which we will be dealing following the consideration of this motion is the amendment of the Combines Investigation Act. The Minister of Justice would like to see

this matter considered within the shortest possible time so the amendment can become law. There are other items such as the establishment of a forestry department and the amendment of the Civil Service Act, all of which are probably questions of major importance in this session, and this undue rush by attempting to keep parliament sitting morning, noon and night—I expect later on we will be sitting Saturdays, if past practice is followed—is designed so the government will meet the least amount of criticism during debate of the ideas which they propose.

The government knows full well it does not have to worry too much about undue criticism from members of its own party. It appears to be the traditional way government backbenchers function; that is, they place far more reliance in the government itself than they might if the government were formed by a different political party. Probably this is the normal course which government backbenchers follow.

The reasons for wanting to rush things at the end of the session were given by the government. They are looking toward completion of the work by July 1. If the government wanted to do something to ensure that its proposals received the fullest consideration, it could organize its activities in an orderly fashion in the early part of the session. The hon. member for Cariboo, who is sitting on the other side, is one member, for instance, who is extremely interested in a joint committee of this house and of the other place on Indian affairs. He is in regular attendance at the meetings of that committee. It is unfortunate, as practically every member of the committee has suggested, that we had to wait until the 44th day of this session before that particular committee was established. The committee on privileges and elections is in the same position. I am talking now, Mr. Speaker, about the conflict in time between the sittings of the committees and the sittings of the house, as well as the conflict between the sittings of various committees.

If the government had undertaken to speed up the progress of these items of extreme importance, we would not now be faced with additional conflicts in time and with the impossibility of not only trying to be in two places at the same time but in trying to be in three or four places at the same time. We can only come to the conclusion, because of the failure to proceed with these items at the proper time, that the government did not want detailed consideration to be given to these particular items.

I know full well that, so far as the general public are concerned, they generally could not care less whether parliament sits six hours a day or eight hours or ten hours. Generally, this is a matter which does not enter into their consideration, because there are many people who are not even sure whether parliament is sitting. These are matters of extreme importance which will be of benefit to the whole of Canada, not for the benefit of members of parliament. The hon. member for Vancouver East set forth this argument very clearly and very succinctly. Naturally I endorse it. In any event, if our amendment is turned down, and it looks as though it is going to be, I do not think we should proceed with the initial motion which has been proposed.

I must apologize to you, sir, for getting off to a bad start by making reference to the frustration that develops amongst government backbenchers because of their inability or unwillingness to participate in debate, and who show their frustration in this way.

Mr. M. W. Martin (Timmins): It is a rather difficult position in which I find myself, Mr. Speaker, in following two or three of my colleagues in a debate of this kind. In their usual highly capable manner they have covered most of the points I had intended to use before they spoke. However, there are a few other points I should like to raise, and I should also like to underline a little more heavily some of the points with which they dealt.

There is much truth in the valid point raised by the hon. member for Burnaby-Coquitlam. I think this is something to which this house gives far too little consideration. I refer to the family responsibilities of the members of this house. I realize that in a country of this size it is perhaps impossible to work out a completely satisfactory arrangement as to whether hon. members should bring their families with them to Ottawa. I think that is a matter that should be given much greater consideration than it has been given in the past. On more than one occasion in the past extremely unfortunate developments have arisen because of the length of time the father is away from his children.

I think there is something else as well that should get more consideration than it has received in the past, namely the health of hon. members. This morning I attended the funeral of one who had been a member of this house. I should just like to bring to the attention of hon. members that this is the seventh hon. member who has passed on since the 1958 election. If we compare this situation to that of hon. members of the other place we find that although there is a great difference in age, to my knowledge at least

only one of the senators has passed on during that time. I think that is something we should consider when we are thinking about sitting extra hours and adding a further burden to hon. members of this house, with the consequent effect on their health.

I should like once more to underline just how much has been accomplished so far this session. We have passed the estimates of one department. A quick glance at the blue book shows that we have something in the neighbourhood of 37 more to pass before the session is concluded. Those estimates passed I believe total approximately $138,240,950. We still have something over $6 billion to pass before the session is over. What we have done so far we have been able to accomplish in about five months and, according to the Prime Minister, we hope to do all the rest in the next five weeks.

I do not see how this can be done, Mr. Speaker. I think it is an utter impossibility. If hon. members will stop for a moment and think, they will realize that if we carry on in that way, if we want to see our children this summer we had better bring them to Ottawa, because we shall be here until September.

Some complaint has been made in some of the newspapers that during this session we have had much sound and fury. That may be so. I am not making any remarks one way or the other on that matter. Possibly time has been used that could have been saved for some of the important business still left to be dealt with by this house. But the fact cannot be altered that the important business is still before this house, and it is going to have to be dealt with if members of this house are to carry out the responsibilities they accepted when they stood for office.

The hon. member for Skeena pointed out an extremely dangerous trend. It is one which I have noted is becoming more and more apparent each session that I have been down here. I refer to the fact that the important and possibly controversial legislation is always held up until the dying days of the session. I cannot blame the government for doing that. We would probably do the same thing if we were in their shoes; and if we did it they would probably do the same thing we are doing right now, namely criticize, and justifiably so.

To set a deadline of July 6, as we have heard suggested here, leaves only one choice to hon. members of this house. They either must abdicate their responsibilities in order to meet that deadline or they must jeopardize their health and practically kill themselves by working 24 hours a day. That is the only way we can hope to accomplish the twofold job of concluding the session by July 5, 6, 7 or even July 30 and still give this legislation and these estimates the consideration that we were sent here to give them.

Mr. Arnold Peters (Timiskaming): I should like to support the amendment suggesting that this motion do not become effective now but that it be delayed until July 1. I do that for the simple reason that most of us are sitting on committees. These committees are of importance or they would not have been named. A few months ago, when there was discussion on the setting up of one of these committees, it was pointed out that there was not any point in setting up these committees unless they were going to be able to do something. If we are going to be good opposition members there are certain things we must do. We are very few in number in the opposition; I refer to the total opposition. I want to claim no credit for that part of the opposition to which I do not belong, but in numbers the opposition are very small.

If we are going to start this rush movement I think we are going to be obliged to abdicate our positions on committees and do the work in the house. In my opinion, Mr. Speaker, this will amount to almost the same thing. If we wish to raise a matter, instead of doing so in committee we will raise it in the house on the estimates or in the appropriate place. I cannot see where this procedure is going to shorten the length of time the house sits.

Very shortly there will be a motion to extend the hours beyond ten o'clock at night, and to extend the sittings to include Saturdays. I am a young member. As far as I am concerned, if we want to have round the clock sittings that is perfectly all right; I will be here as much as anybody else during those sittings. But it seems to me that this is not a sensible system to follow. It is not the system used in other democratic countries. It is not the system used in Great Britain. It was decided there some time ago that a permanent arrangement would have to be made; that members of parliament were on a full time, year round basis. We are not sessional members of parliament, Mr. Speaker; we are members of parliament by the year, and we are expected to do a year's business.

I do not believe the country, when they made this concession, decided that they were going to allow the cabinet to run the government. I think the present Prime Minister is on the record many times as having said he did not like government run by order in council, and that he wanted government run by parliament. Yet how is government being

run now? It is being run right off its feet. If the Prime Minister sat in this house as often as some of the other members, I suggest that he would be quite glad to cut down the hours rather than extend them because his health, and the health of other members, will not carry that kind of strain.

Just let us take a look at what happens in a committee of the House of Commons. We will go back just one week. These are the arrangements made, according to *Votes and Proceedings:*

Wednesday, May 25: public accounts committee, 9.30; joint committee on Indian affairs, 9.30 and 3.30; defence expenditures, 9.30.

Thursday: railways, canals and telegraphs, 9.30 and 3.00; privileges and elections, 9.30; joint committee on Indian affairs, 9.30 and 3.30.

Friday: agriculture and colonization, 9.30; defence expenditures, 9.30.

Monday: Mines, forest and waters, 11.00; estimates committee 11.00.

Tuesday: Mines, forests and waters, estimates—water resources; privileges and elections, the Canada Elections Act, both at 9.30.

Wednesday, June 1: public accounts, 9.30; defence expenditures, 9.30; joint committee on Indian affairs, 9.30 and 3.30.

I think it is ridiculous for us to have all these committees meeting. It may be advisable for the Canadian people to decide that they intend to change completely the form of government we have. It may be necessary to get rid of some of the things which may not serve as much purpose as looking after the estimates and certain other business. This might mean the elimination of the budget speech, the elimination of the throne speech and the elimination of some of the days which were set aside—the formal days—when the leaders on the front benches do the talking for two or three days at a time. It may be that hon. members themselves will need to give much closer consideration to the work they are sent here to do. Only now are we getting into the major committee work.

The Prime Minister (Mr. Diefenbaker) went around this country during the last two or three years and said: I will set up a committee on anything that is important, and that committee will be given lots of responsibility, lots of scope; it will even be able to dabble in policy to some extent. That may be. But what will happen after the committee has made its report? We know what will happen. We will be putting our coats and hats on and leaving, because that will be the day when we prorogue. That will be the end of the session.

I have no objection to some of the western members going home and doing their farming. Unfortunately they had a bad year last year and some of them went home, not to put in the seed but to cut the grain. I would not mind that situation, because this house will run really effectively in the absence of 100 of the government's supporters. If that is what they want to do, I am all for them going home. I would not like to ask them to do something I would not like to do myself.

I accepted the job as member of parliament knowing full well the responsibilities that belong to the office, though I may not have known how much money I was going to get or what little distance it would go. I knew it was a full-time job, and I expected that it would be a full-time job. If you are going to have young people run for parliament—people with young families, with children who are in school, then the time which would be most to their advantage would be the summer when they could take their families out to the lake. Goodness knows, the summer here in Canada is short enough, and if we were to decide to take July and August off we could probably enjoy the larger part of the summer.

There may be good reasons for some hon. members not wanting to sit here the year round. There may be—and I think there is—a really good chance of our doing the business that we do in six months much more effectively spread over the six months or a little longer. But how many things were on the order paper three weeks ago? How much legislation had already been introduced when 80 days of the session had gone by. I looked this up in order to do a radio broadcast, and found that very little legislation has been passed yet, while there was nothing of any importance on the order paper. When we asked the leader of the house not long ago what the business was going to be for the rest of the session he said: wait till the Prime Minister comes back from his conference in Europe, and we will sit down and decide how much of the legislation is still to come.

I have talked to some of the officials of the civil service. Maybe the government disagrees, but some of the members of the civil service association believe that amendments to the legislation governing the civil service are very important. They think that such amendments are worthy of a great deal of deliberation and discussion. What is going to happen is this: one morning we are going to find them on our desks. These amendments will be there, and we will be expected to approve them in the course of the afternoon. It will be something like the Combines Investigation Act. Yet it is a major piece of

legislation. When it is sent to the committee the committee will handle it for a week or so during the time when hon. members are supposed to be working on the estimates in the house. The committee will be discussing that which should have been discussed in the early part of the session.

If we are not sufficiently grown up in Canada to decide what we are going to do at the time when the government brings in the speech from the throne; if we cannot decide that and get it down at the beginning of the session, instead of playing around with tea parties and the other things we do during the first two or three days, we are not going to solve our difficulties by trying to do it in the last few days of a session. The government should have the ability to lay these things down on the order paper, and say: these are the important things: these are the things which are necessary for the well-being of the Canadian people; these are the things that are worthy of serious discussion; these are the things we recommend to the consideration of hon. members because they are important to the people they represent.

I may say, personally, that I do not see why we should not take a recess and come back in the fall. I can see no reason for not following that course. In Ontario they decided they were going to extend the school year. One can imagine what the children said about it. But you were probably surprised, Mr. Speaker, at what the teachers said about it. They said you could not extend the school year into the hot summer months and expect to get any more done than if you had taken those months off and come back refreshed.

I know exactly why the Prime Minister does not want to do this, and it is not because he is the least interested in his backbenchers. The reason he does not want to do it is because he thinks the opposition will get some backbone, that they will be told, when they get back to their ridings: why didn't you go after this, or why didn't you go after that; don't you know I am unemployed; don't you know I am not getting unemployment insurance, and so on. The opposition may come back with a stiffer backbone, and buckle down and go after some of the things we have already discussed. I agree that this might happen. It has happened before.

But I think if there were a little honesty between the government and those who sit on the front benches of the opposition, and the people they elect to represent them, then all those concerned could get together and work out some arrangement so that there would not be any undue repetition. It always appears to us that the whip is brought right down when we would like to go home, too; advantage is taken of that situation, and everything is done as if we were working on a log boom somewhere.

It is quite true that if we came back in the fall there would probably be a little discussion on the unemployment situation. I believe there might be some talk of what the crops are doing in the west. There would, no doubt, be a little repetition of what the wheat problem is. But I think allowance should be made for these things. We could probably limit such debates to reviewing the situation. There would be no need for another speech from the throne, but some consideration should be given to these subjects.

I do not know whether the hon. member for York-Scarborough (Mr. McGee) is going to introduce his bill on capital punishment again. He has been promised an opportunity, but I am sure he will be told: if you bring that in it is going to mean a whole day's debate—a whole day lost—and we would like to get away. However, that would not be very honest, because the Prime Minister told us in the house that there would be another day, and not a private members' day either, but a government day.

Mr. Speaker: Order. I do not want to interrupt relevant debate but it seems to me the hon. member is discussing almost every aspect of the business of the house. The matter before the house is whether this motion shall become effective June 1 or July 1. I suggest that the hon. member direct his attention to that question.

Mr. Peters: Let us not tell the Canadian people we have been sitting idly by. Some hon. members are on 8 or 9 committees. We obviously cannot attend them all and if we are in the house we cannot attend any. We have passed only 1/37th of the estimates. In another 20 days we may have passed another 20. We could then examine our position. We are not now anywhere near the end of the session. I could take 15 minutes to enumerate what has yet to be done. The work that is yet outstanding is of more public importance than what has been accomplished.

We ask that consideration of morning sittings be delayed until July 1. In the meantime the matter should be considered by the house leader. He should consider what he wants done and seek our co-operation. If the proposed course of action seems feasible we will co-operate but if not it is his obligation to suggest to the government that we recess and come back in the fall. If that were done the opposition could agree not to engage in a repetition of debate.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, may I ask the hon. member a question before he takes

his seat. Which hon. member of his group could speak on behalf of the group with regard to such questions as the allocation of time for debate and so on?

Mr. Peters: I can speak on behalf of this group.

Some hon. Members: Oh, oh.

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

YEAS

Messrs:

Fisher	Peters
Howard	Regier
Martin (Timmins)	Winch—6.

NAYS

Messrs:

Aiken	Jorgenson
Aitken, Miss	Jung
Balcer	Keays
Baldwin	Kindt
Baskin	Knowles
Batten	Lambert
Beech	Leduc
Bell (Carleton)	MacLean (Queens)
Bell (Saint John-Albert)	Macquarrie
Bourque	McFarlane
Broome	McGee
Browne (St. John's West)	McIlraith
Browne (Vancouver-Kingsway)	McMillan
	McPhillips
Brunsden	McQuillan
Campbell (Stormont)	McWilliam
Cardiff	Martineau
Cardin	Martini
Carter	Matthews
Cathers	Mitchell
Chevrier	Monteith (Perth)
Churchill	Montgomery
Crestohl	Murphy
Deschambault	Nesbitt
Diefenbaker	Nugent
Doucett	O'Hurley
Drysdale	Ormiston
Fairclough, Mrs.	Payne
Fairfield	Pearson
Fane	Phillips
Fleming (Eglinton)	Pigeon
Fleming (Okanagan-Revelstoke)	Richard (Ottawa East)
	Robinson
Frechette	Rogers
Fulton	Sevigny
Garland	Simpson
Granger	Skoreyko
Green	Slogan
Grills	Smallwood
Gundlock	Smith (Winnipeg North)
Habel	Stanton
Hales	Starr
Halpenny	Stearns
Hamilton (Notre Dame de Grace)	Stefanson
	Tardif
Hanbidge	Tassé
Harkness	Thrasher
Hees	Tucker
Henderson	Villeneuve
Hicks	Walker
Horner (Acadia)	Webb
Horner (Jasper-Edson)	White—102.
Howe	

Mr. Speaker: The question is on the main motion. Is the house ready for the question?

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, after having listened very closely to the words of the Leader of the Opposition (Mr. Pearson) I hope that the Prime Minister (Mr. Diefenbaker) will agree as to the importance of committee and caucus meetings this week. Therefore I should like to move, seconded by the hon. member for Timmins (Mr. Martin):

That the motion be amended by deleting therefrom the words "Wednesday, June 1", and substituting therefor "Monday, June 6".

I hope the Prime Minister will agree to this amendment.

Mr. Lambert: Mr. Speaker, on a point of order—

Mr. Winch: Let the Speaker speak. He has already figured it out.

Mr. Lambert: I submit to Your Honour that as the hon. member has spoken on the main motion by seconding the first amendment he is now precluded from again speaking and advancing another amendment.

Mr. Winch: On the point of order, Mr. Speaker, may I point out that the hon. member for Burnaby-Coquitlam did not speak on the main motion but on the amendment. Therefore he is completely in order in speaking now. The hon. member for Edmonton West ought to sit down and think more before he rises.

Mr. Speaker: The question is whether an hon. member who submits a further amendment after having seconded an earlier amendment is in order in doing so. There is a ruling by the Speaker in the debates of 1952-53, page 1806, where the Speaker had this to say:

However, the rule also is to the effect that an hon. member who moves or seconds a subamendment and speaks, not only speaks to the subamendment but also speaks to the amendment. In the latter part of citation 293., I find these words:

"The mover and seconder of the amendment having spoken to the main question cannot speak again to it. The same rule applies, of course, to the case of an amendment to an amendment."

My ruling is that the hon. member for Assiniboia, having seconded the subamendment and having spoken to the subamendment, is prevented from speaking to the amendment. This does not, however, prevent other hon. members who have not spoken to the amendment from speaking to the amendment at this time. The hon. members who moved and seconded the subamendment along with the hon. member who moved the main amendment cannot speak at this time.

There is also a reference in Beauchesne, fourth edition, page 138. Paragraph 9 of citation 165 reads in part as follows:

The mover and seconder of the amendment having spoken to the main question cannot speak

again to it. The same rule applies, of course, to the case of an amendment to an amendment. The mover and seconder of an amendment are not penalized as compared with other members, because they speak both to the main question and the amendment which they are moving or seconding, in one speech.

The third paragraph of citation 165 reads as follows:

By moving or seconding an amendment a member, if he utters a few words, actually speaks to the main motion. It is only after the amendment has been put by the Speaker that it is considered a new question.

In the circumstances the amendment when offered by the hon. member seems to me to be out of order.

Mr. Diefenbaker: Mr. Speaker, I rise simply on a point of order at the moment, not to conclude the debate. So far as the government is concerned, I wish to say that when I speak I intend to accept the suggestion of the Leader of the Opposition. I am not concluding the debate now.

Mr. Martin (Timmins): Mr. Speaker, I should like to express our appreciation to the Prime Minister. I had intended to move the same amendment but now it will not be necessary.

Mr. Speaker: Is the house ready for the question? I must inform the house that if the Prime Minister speaks now he will close the debate.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not intend to traverse the field that has been covered during the course of this debate. I do, however, wish to say immediately to the Leader of the Opposition (Mr. Pearson) and the hon. member for Laurier (Mr. Chevrier) that their attitude of co-operation in order to achieve the most effective operation of parliament is appreciated and in keeping with what one might expect from the hon. gentlemen with their regard for parliamentary procedure.

I think I should say a word too in respect of some of the remarks that came from the group to your immediate left, Mr. Speaker. I listened with interest to the statements of the hon. member for Vancouver East (Mr. Winch), who has had considerable experience in public life both in the House of Commons and in a provincial legislature. I found it somewhat difficult to understand some of those things to which he gave such high espousal today when considered in the light of some of the statements he has made in the past.

He spoke of parliament, the constitution and the necessity of maintaining parliament in all its amplitude, and with that I agree. There is nothing in this motion that interferes in any way with the right of hon. members to speak to the fullest degree possible. The only thing it does is to give them more hours in which to place their views before the house.

As I listened to the hon. member I could not but recall that on November 10, 1943 he brought before an audience he was addressing in the city of Calgary something of what the C.C.F. would do if they formed the government. To begin with, he said that they would scrap the British North America Act. That being so, Mr. Speaker, I can only believe that in the intervening years he has changed his views. He has never denied the accuracy of that statement. It was brought before parliament in his presence on one or two occasions and in fairness to him I can say there was no denial on his part then that he had in fact held those views and, indeed, there is nothing to indicate that he does not hold those views today.

Mr. Winch: Will the hon. member give the rest of that sentence?

Mr. Diefenbaker: I think that sentence is pretty well complete by itself. However, if the hon. member wants the rest of it I will give it. The hon. member said:

A change is coming, peacefully or not. When we become the government we will institute socialism immediately and would use the power of the police and the military forces to force those opposed to obey the law.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I had not intended to give the rest of the statement.

Mr. Winch: Just the same as you do today.

Mr. Diefenbaker: He went on to say:

Those who defied the government would be treated as criminals. If capitalism says "no" then we know the answer. So did Russia. We are going to scrap the B.N.A. Act.

Mr. Speaker, I was not going to cover that. I was dealing expressly with his views on parliament. As I listened to those views today I thought how different they were from those that he uttered on that occasion and also on subsequent occasions, but I do not have the record before me of those other occasions. Some offence was being committed against parliament. He said the attitude of the government and the official opposition is to get rid of parliament as soon as possible. It is nothing of the kind. There is nothing unusual in this motion.

Sometimes I find it difficult to know who speaks for that group of eight. One is the leader of the group in the house, and he spoke on this subject. I quote his words as an answer to those of his followers who spoke

today. On page 4238 of *Hansard* for June 2, 1959 the hon. member for Assiniboia (Mr. Argue) said:

> Mr. Speaker, I believe it is true to say that this is approximately the usual stage during a session when a motion is brought forward to provide for morning sittings.

As I pointed out when I introduced this motion, we are one day earlier on this occasion. I do not want to leave out anything the hon. member said. He went on to say this:

> However, I do believe that at least some hon. members in this house are slightly in error in their thinking and in their hope that being a member of parliament is really just a part-time job. It seems to me that as the nation expands and parliament has to deal each session with an increasing volume of legislation, the fact becomes more and more clear that being a member is a full time job.

Then he goes on to say this:

> In fairness I should also say that this motion to a substantial degree is a compromise motion. It is not a motion to call for morning sittings five days a week, nor does it call for evening sittings five days a week or on Saturdays. Instead it is asking that parliament sit Wednesday and Thursday mornings as well as Friday evenings in addition to the regular hours of sitting. At this particular stage of the session and in view of the attitude of the parties generally as to how sessions should be managed, we feel this is an appropriate time to bring forward a motion of this nature.

What has changed in one year? This is the appropriate time; that is what the house leader of that party, today absent on parliamentary business or absent from the house in any event, said one year ago. I accept, and the government of the day accepts, the views expressed last year in this regard by the leader of that party.

Then something was said regarding the necessity for having a planned session, and that the legislative program was not ready. May I say that the legislative program was ready when this house began its sessions. This was the course of action we determined upon last September. We placed the legislative program before parliament in exact proportion to the manner in which that program was being cleared off the order paper. This is not a question of a target date. In so far as I am concerned, I did say something about this on one occasion, and again I show that consistency which the eight expect from time to time.

I pointed out when I spoke in the house on March 11 that I had always been of the opinion that a divided session in one year was not in keeping with the tremendous responsibilities that rest on members, particularly in this country where members are so far from their homes and are unable to present their arguments as are members in the British House of Commons. I said, however, that if the legislative program dragged I might be forced to change my opinion. What was the attitude then? In an interview given by the house leader of the C.C.F. party, in absentia, outside the house, he said, "Reprehensible." Then he went on to say:

> —if the government really is thinking of adopting the principle of dividing the sessions into winter, spring and fall sittings, there should be a conference among party leaders first.

Then he went on to say that such a suggestion on my part was a reprehensible one. What was reprehensible to the house leader in March has become the corner pillar of his followers in the month of June.

Mr. Winch: What is reprehensible about consultation?

Mr. Diefenbaker: Passing on from there, let me tell you this: The mother of parliaments is an example of the business-like and efficient conduct of parliament. I suggest this to you, Mr. Speaker, if one or two members in a small group in the British House of Commons decided that day by day they would hold up the legislative program placed before the house that would not be considered a proper or appropriate course. I need not identify what I have in mind. When eight hon. members decide that no matter what the rest of the house may consider proper and necessary with due regard to the full rights of the minority, they will delay legislation, then I ask them to read what has been repeatedly stated in that mother House of Commons in that regard.

Let me further say this, that parliament and the speed with which it shall discharge its responsibilities is not to be compared to a convoy, the speed of which is dependent upon the slowest ship. Over and over again this constant repetition is the measure of contribution to this House of Commons, not by quality but by quantity. I do not want in any way to prejudge the work of the committee on rules, but I am sure that the house will welcome suggestions from that committee which will ensure that parliament shall be able to advance and discharge its responsibilities, and carry out its legislative program in the most efficient and effective way.

May I say this, too: Some mention was made of certain measures that have yet to be considered. These measures will be placed before the house within the next day or so. In so far as the Civil Service Act and the Public Service Superannuation Act are concerned, they will be introduced within about a week. It is the government's intention to propose that the two bills be referred, after

second reading, to a special committee. This procedure will contribute to a more effective review of the measures, and I think expedite proceedings of the house.

Mr. Winch: When does the committee meet?

Mr. Diefenbaker: After all, the legislation has to be introduced and then a determination will be made as to the time and place of that committee meeting.

Mr. Winch: I was not thinking of that. I was thinking that it will meet at 11 o'clock every morning, the same time as the house.

Mr. Diefenbaker: As the hon. member well knows from that knowledge of parliamentary government to which I have already paid such warm tribute, the committee will make that decision.

It is well to look over the record of the committees this session. I think the hon. member for Vancouver East has said that they have done well; at least, that is my recollection. The committees that have met and have finished their work are the external affairs committee; the estimates committee; the railways, airlines and shipping committee; the standing orders committee; veterans affairs committee; marine and fisheries committee and the committee on industrial relations. The committee on privileges and elections should be finished by June 7.

With regard to the future legislative program, may I say this? Further to the items already on the order paper will be the bill of rights. The Leader of the Opposition asked me particularly whether it will be submitted to a committee of the house. That is the purpose following second reading. Then there is the Russian trade treaty, the setting up of the department of forestry, the C.N.R. financing bill and the three budget bills. In addition to those I have named there will, of course, be the Civil Service Act and the Public Service Superannuation Act. As to other matters of legislation, as I have said, the house will be advised thereof within the next day or so.

Again in accepting the suggestion amending the motion as moved, may I say that our purpose must always be to make this chamber efficient and effective. No target date has been set. I expressed the hope that if each hon. member would make his contribution on the basis of providing the fullest and most complete examination of the legislation that is brought before parliament—if even that were done—my expectation was that we would be in a position to prorogue at that time. However, hon. gentlemen tell me that is not so, that that objective cannot be achieved. I will not argue with them. The house will determine that matter. If it is the desire to continue beyond that date—and I have set that as an objective that all of us would work to—I have no argument about the matter. I simply say this. The legislative program that is before the house, or is to be introduced, will require to be given attention and before the conclusion of the session will, I hope, have received the support and commendation of this house.

Before I conclude there is one other matter to which I want to make an allusion. I agree most wholeheartedly that we in this house must maintain strictly the proprieties in debate. No action must be taken on the part of anyone and no word must be spoken that conveys the suggestion that any hon. member has not the full right to speak as he will, provided he does so within the rules. I am not here in the position of condemning anyone. However, today during the course of his remarks the hon. member for Vancouver East made the suggestion that somebody had told him to shut up.

Mr. Winch: Did you not hear it?

Mr. Diefenbaker: I made an examination to see what actually took place. My examination shows this, and I think the record will show it; I have written down the notes in that regard. During his remarks the hon. gentleman said this: "If this house is to meet at eleven o'clock on Monday through Friday, then I ask you, Mr. Speaker, how does an ordinary member take care of his work on a constituency basis; how does he find time to attend to grievances, attend committees and attend the House of Commons at the same time?"

The hon. gentleman was asking for information. He was craving an answer to that question. He found himself in a difficult position, Mr. Speaker. He found that he could not trifurcate himself, as it were, so he asked a natural question: how does one find time to attend to grievances, attend committees and attend the House of Commons at the same time? Then he started to answer his own question and he was helped.

What he said was this: there is only one thing a member can do on that basis. We shall never know, Mr. Speaker, what answer the hon. gentleman was going to give to his own question but somebody answered "that is, shut up".

I would be the first to take the strongest objection to anyone directing that admonition to any hon. member. But I am sure that on reflection the hon. member for Vancouver East with his parliamentary experience, long

and effective as it has been, to that extent will agree that when you ask a question you sometimes get an answer.

Mr. Winch: Mr. Speaker, I never thought—

Some hon. Members: Order.

Mr. Winch: —that the Prime Minister could get that small.

Mr. Speaker: Order. Let us find out on what basis the hon. member is rising. Does the hon. member wish to speak on a question of privilege?

Mr. Winch: It was on a question of privilege but I am sorry that the Prime Minister is not worthy of that much attention.

Mr. McIlraith: Before the motion is put, will the Prime Minister answer a question arising out of his remarks?

Mr. Diefenbaker: Yes.

Mr. McIlraith: When he referred to the legislation pertaining to the civil service and the sending of it to a committee after second reading did he anticipate that that legislation would be dealt with at all stages by the committee and returned to the house and be dealt with before the termination of this session of parliament which he indicated he thought would be by June 30?

Mr. Diefenbaker: That is the position.

Mr. Regier: I should like to rise on a question of privilege, Mr. Speaker. The Prime Minister indicated that he had had a look at the words of the hon. member for Vancouver East. He was in the house when the hon. member for Vancouver East was speaking, as was I. In all humility I submit that the Prime Minister has no right to receive the *Hansard* record of what the hon. member for Vancouver East had to say any earlier than I do in this house.

Mr. Speaker: I do not know that there is any question of privilege involved. There is a definite arrangement with regard to dealing with "takes" as they are called, the copies and the distribution of them. Is the house ready for the question?

Some hon. Members: Question.

Mr. Regier: If I may, I should like to pursue this matter for a moment, Mr. Speaker. On a number of occasions I have walked up to the *Hansard* office and asked to be shown what was said by some hon. member who had preceded me in speaking in the House of Commons and I have been refused that information. I do not think it right that any hon. member of this house has that information until all hon. members of this house have it.

79951-0—273½

Mr. Speaker: If the hon. member's point is that he has been refused something which he feels other members are entitled to, he should raise it at the time the incident occurs.

There is a proposal which is not incorporated in this resolution which was made and I think accepted by a spokesman for all parts of the house, namely that the date in the first line be changed from Wednesday, June 1, to Monday, June 6.

If the house is prepared to give unanimous consent to the substitution of those words, the motion could then be put that way without formal amendment.

Is it agreed by unanimous consent that "Wednesday, June 1" be changed to read "Monday, June 6"?

Some hon. Members: Agreed.

Mr. Speaker: Is the house ready for the question? All those in favour of the motion as amended will please say "Aye".

Some hon. Members: Aye.

Mr. Speaker: All those against the motion as amended will please say "Nay".

An hon. Member: Nay.

Mr. Speaker: In my opinion the ayes have it.

Mr. Winch: On division.

Motion (Mr. Diefenbaker) as amended agreed to, on division.

AGRICULTURE

REFERENCE TO COMMITTEE TO INQUIRE INTO FARM MACHINERY PRICES

On the order: Government notices of motion:

May 27—The Minister of Agriculture—The following proposed motion: That the standing committee on agriculture and colonization be empowered to inquire into the prices of farm machinery and to report to the house thereon.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

BROADCASTING

APPOINTMENT OF COMMITTEE ON RADIO AND TELEVISION

On the order: Government notices of motion:

May 27—The Minister of National Revenue—The following proposed motion: That a select 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. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

MOTIONS FOR PAPERS

REPORT ON IMPROVEMENTS TO NAVIGATION, PORT AND HARBOUR FACILITIES

Motion No. 113—**Mr. Chevrier:**

For a copy of the reports made by a special team of the Department of Transport and the Department fo Public Works, concerning improvements to navigation and port and harbour facilities in the following places from October, 1957 to date: Belleville, Ontario; Brockville, Ontario; Chandler, Quebec; Collingwood, Ontario; Cornwall, Ontario; Dorion, Quebec; Gaspe, Quebec; Goderich, Ontario; Grand Manan, New Brunswick; Hamilton, Ontario; Kingston, Ontario; Fort William and Port Arthur, Ontario; Magdalen islands, Quebec; Matane, Quebec; Midland, Ontario; Minas Basin; Morrisburg, Ontario; Oshawa, Ontario; Prescott, Ontario; Rimouski-Pointe-au-Pere, Quebec; Port Colborne, Ontario; Riviere-du-Loup, Quebec; Sarnia, Ontario; Sault Ste. Marie, Ontario; St. Charles river area; Sydney, Nova Scotia and area; Wallaceburg, Ontario; Whitby, Ontario; Windsor, Ontario.

Hon. George H. Hees (Minister of Transport): The reports referred to in this motion are reports by officials of the Department of Public Works and the Department of Transport to their ministers. As such they fall clearly under the heading of privileged papers. It is the recognized and long-established practice that intradepartmental and interdepartmental documents should not be produced, and in the circumstances perhaps the hon. member will agree to withdraw his motion.

Hon. Lionel Chevrier (Laurier): I wish to rise on a point of order, and the point of order is this. When a minister draws upon the contents of certain documents and imparts to the house his knowledge of them, he must table them. I refer to Beauchesne, page 134, citation 159, paragraph (2) which reads:

A minister of the crown is not at liberty to read or quote from a dispatch or other state paper not before the house unless he be prepared to lay it on the table.

Then paragraph 3 reads:

It has been admitted that a document which has been cited—

The word "cited" here means "mentioned".

—ought to be laid on the table of the house if it can be done without injury to the public interest.

[Mr. Speaker.]

The point I am about to make is that on May 18 the minister did not only refer to the documents but discussed them at some length. I do not want to deal with this at undue length, but there are a number of passages of the minister which can be found at pages 4010 and 4011 of *Hansard*, and later on the minister referred to the—

Mr. Speaker: Order. The hon. member is raising a point of order in respect to something which occurred some time ago in the house. There is a rule about the production of documents from which a member of the government quotes and, as I understand it, the point of order which the hon. gentleman now raises could have been raised at that time. However, I do not think I should consider a point of order at this late date arising out of other facts, particularly when we have before us an order dealing with this very document. The question before the house is the present motion.

Mr. Chevrier: Would Your Honour hear me on the point of order? I was not here when this debate took place; therefore I could not have asked for the production of the document. Then again there is the further point that they were discussed by the minister and used during the course of the discussion. For that reason it occurred to me they were producible.

Mr. Speaker: I am not denying what the hon. member is seeking to argue. I am simply saying that it is not in order to raise the point at this late date, and I cannot hear the point of order now. That question should have been taken up at the time, if there had been any desire for the production of this document.

Mr. Hees: On this point of order, may I say that at the time referred to I did not read or quote from these dispatches. I did not have them at the time, nor would I have quoted them if they had been in my possession.

Mr. Speaker: I do not want to interrupt the minister, but I am really not hearing argument on that point.

Mr. Fulton: It is the last paragraph of the citation which the hon. member carefully refrained from reading.

Mr. Speaker: I think it is clear that the point of order must be raised at the time it is relevant. What is relevant now is this motion to which the minister objects, for the reasons he has stated, and it is a question of whether or not the hon. member who moved the motion will withdraw it.

Mr. Chevrier: In view of the statement I have made, and which I think is in order, I

certainly cannot consent to withdraw the motion. I think there should be a vote taken on it.

The house divided on the motion (Mr. Chevrier) which was negatived on the following division:

YEAS

Messrs:

Batten	McIlraith
Bourque	McMillan
Cardin	McWilliam
Caron	Martin (Timmins)
Carter	Meunier
Chevrier	Mitchell
Crestohl	Pearson
Denis	Peters
Eudes	Ratelle
Garland	Regier
Granger	Richard (Ottawa East)
Habel	Tardif
Howard	Tucker
Leduc	Winch—28.

NAYS

Messrs:

Aiken	Keays
Aitken, Miss	Kindt
Allard	Knowles
Balcer	Lahaye
Baldwin	Lambert
Baskin	MacLean (Queens)
Beech	Macquarrie
Bell (Carleton)	McFarlane
Bell (Saint John-Albert)	McGee
Broome	McPhillips
Browne (St. John's West)	McQuillan
Browne (Vancouver-Kingsway)	Martineau
	Martini
Brunsden	Matthews
Cardiff	Monteith (Perth)
Cathers	Montgomery
Churchill	Murphy
Deschambault	Nesbitt
Diefenbaker	Nugent
Doucett	O'Hurley
Drysdale	Ormiston
Fairclough, Mrs.	Payne
Fairfield	Pearkes
Fane	Phillips
Fleming (Eglinton)	Pigeon
Fleming (Okanagan-Revelstoke)	Rogers
	Rompre
Frechette	Sevigny
Fulton	Simpson
Green	Skoreyko
Grills	Slogan
Gundlock	Smallwood
Hales	Smith (Simcoe North)
Halpenny	Smith (Winnipeg North)
Hanbidge	Stanton
Harkness	Starr
Hees	Stearns
Henderson	Stefanson
Hicks	Tassé
Hodgson	Thrasher
Horner (Acadia)	Villeneuve
Horner (Jasper-Edson)	Walker
Howe	Webb
Jorgenson	White—87.
Jung	

Inquiries of the Ministry

COMBINES INVESTIGATION ACT—PROPOSALS FOR AMENDMENT

Motion No. 115—**Mr. McIlraith:**

For a copy of all briefs, memoranda and other representations submitted to the government or the combines administrations, since January 1, 1959, regarding proposals to amend the Combines Investigation Act.

Motion agreed to.

EXTERNAL AFFAIRS

LATIN AMERICA—REQUEST FOR REPORT ON VISIT BY MINISTER

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in order to expedite matters I will ask the Secretary of State for External Affairs whether he has a report to make on his recent trip to Latin America, and more particularly whether he has anything to say on the possibility of Canada's association with the organization of American states?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, in reply to that question, perhaps the house will excuse me if I take a few minutes to give a short report of my trip. The purpose, of course, was to attend the celebrations commemorating 150 years of independence of Argentina and also while in South America to pay brief visits to Chile and Peru.

Roughly speaking, I had in mind furthering the good will between Canada and the Latin American countries and also endeavouring to learn something about our southern neighbours.

I must say at once that I was very much impressed by all those countries which I had the good fortune to visit. Argentina is, I found, very similar to Canada. Of course, they have ranches producing wheat and cattle. They have the great port of Buenos Aires, one of the main ports of the world, and also they are active in the Antarctic just as we are in the Arctic. The population is slightly larger than that of Canada. Argentina ranks in the world today as a middle power, in the same status as our own nation.

There I had a very helpful conference with the president of Argentina and the foreign minister. In fact I had two with the foreign minister, having been invited to dinner at the Brazilian embassy with him by the foreign minister of Brazil, Hon. Mr. Lafer, who made such a friendly visit here a few months ago.

Argentina had over 80 delegations visiting the country for this celebration. That did not mean 80 foreign ministers; of course all the

heads of delegations were not foreign ministers. It meant that they were entertaining five or ten times as many as 80, which is quite a big exercise, and they did it in an extremely efficient and friendly way. I think it did them great credit.

Of course one had opportunities for meetings and discussions with other representatives, other foreign ministers and other ministers and heads of delegations from various countries. As I pointed out a moment ago, I had more than one occasion for discussions with Mr. Lafer, of Brazil.

There were, of course, many important events. One was the celebration of the Te Deum in the cathedral of Buenos Aires, which was a most impressive ceremony. A state dinner was given by the president and there was a military parade which took four hours to pass and which was extremely good. I was very much impressed by the young men of Argentina who participated in it. There were men not only from the navy but also they have marines; infantry and also paratroops, ski troops for the Antarctic and mountain troops for the Andes. They have a very impressive force. Also participating were small forces from the neighbouring countries and, significantly, forces from Spain were given the place of honour at the head of the parade.

In Buenos Aires they have one of the finest theatres in the world. It ranks, I think, as the third best in the world. There was an excellent ballet performance one evening with ballet companies from Paris, Buenos Aires and London.

There was one visit I paid which might be of interest to hon. members. It was to a school in Buenos Aires. They have two schools there, one elementary and one secondary, which are named Canada schools. I visited one of those schools. It was a holiday but the children had all been brought out to meet the foreign minister from Canada, and that was quite a test. I did not find out this was happening until the children had all gone home. There they were. They all wore white smocks, both the boys and the girls. They had a Canadian flag and the flag of Argentina. They sang songs and a very nice speech was made by one of the teachers but as it was in Spanish I did not get the full drift of it. In any event, this was a very wonderful lesson to me with respect to the way in which good will can be spread among the nations.

When I was speaking to the youngsters afterward I asked the girls whether their mothers washed their smocks or whether they did and they admitted that their mothers did. I said, "Don't you think that is terrible? Why don't you do it yourselves?" One little girl looked at me and said, "Who washes the smocks in Canada?" This had me floored and they laughed at that. One of these schools is affiliated with a school in Toronto and I am hoping that a secondary school will be affiliated with a high school in the remarkable riding of Vancouver Quadra. Other schools are named after other countries. Our ambassador is helping by getting reading material to these schools and to further understanding the children are supposed to write to children in Canada and vice versa.

In Chile I found great tragedy. I visited the minister of the interior who is in charge of the relief measures. He told me they had over 500,000 people homeless in the stricken area, and with winter coming on and the season of heavy rain the whole situation is very serious for them. I also visited the minister of finance and the acting minister of foreign affairs. It will cost at least half a billion dollars to repair the damage that has been done. Roads have been destroyed. Homes, public buildings, wharves and harbours have been destroyed. They do not know what has happened to the harbours. Much of the shoreline in that part of Chile has been changed. New islands have come up out of the sea and old islands have been submerged. There are also four new volcanoes.

All this has happened in one of the country's very best regions, a district where they have their only steel plant and their only pulp and paper plant. People in the capital of Santiago could not get word of what had happened to their relatives in the earthquake zone. People were sitting outside the office of the minister of the interior trying to find out something about their relatives. We saw quite a few trucks heading south with bedding and all sorts of materials for the people there. On the airfield at Santiago there were huge United States Globemasters. The United States at once flew two large mobile hospitals to Chile, these hospitals having over 250 beds each. Not only did I see Globemasters at Santiago but there was also another at Antofagasta on my way north and at Lima, Peru, there were two or three more. From all over the world help was coming for these people.

The people of Chile have shown remarkable courage. The ministers were under terrific pressure, of course and had been working day and night. Disaster struck the country just when it was recovering from a very difficult period economically. They do not know how they will bring about rehabilitation under these conditions. This is the worst disaster they have ever suffered but I am sure that every Canadian, if he could be

there, would admire the way in which the people of Chile are facing this tragedy.

Last Saturday night, I believe, 10 cases of clothing were shipped from Vancouver by the Canadian Red Cross through the courtesy of Canadian Pacific Air Lines. Forty-eight cases of new, not used, clothing as well as medicines have also been sent to Chile by our Red Cross.

One of the most urgent requirements was for mobile hospitals of a smaller size. The large United States mobile hospitals were very helpful but it was difficult to get the injured people to the large centres. So the Chilean minister of the interior asked if we could send a small mobile field hospital. Through the co-operation of the departments of national defence and national health and welfare complete medical equipment for a 30-bed field hospital, together with 40 stretchers, 160 blankets and extra instruments and dressings, was dispatched Saturday afternoon and will be in Santiago tomorrow. In addition, 50,000 water sterilization tablets, 10,000 penicillin and 10,000 tetracycline tablets and 40 pounds of refrigerated antitetanus toxoid and tetanus vaccine were also sent.

I think further help will be needed and provision has been made for some help in the way of food. The minister asked for flour and canned meats and 1 million pounds of canned pork has now been turned over to the Gold Cross by the Department of Agriculture and will be forwarded without cost to Chile. This pork is worth $600,000. We shall be doing what we can to help in this very tragic situation and it may be that we will have to ask the house for authority to give further assistance. The Chileans were deeply grateful for help and, as I have said, help is coming from all over the world. This is one of the great disasters of our time.

I flew up the coast to Lima, Peru, on Friday afternoon. Lima was the seat of the viceroy in the old Spanish days. It is a city of over a million people, as in Santiago; and Buenos Aires, of course, has between four and five million people. In Lima I had conferences with the president and with the prime minister. I met him on two occasions and had very useful talks with him. He has been in Canada and the United States and is doing an outstanding job. He is the owner of *La Prensa*, one of the leading papers in Lima. Incidentally, I also met Dr. Gain Za Pas, the owner of *La Prensa* in Argentina. Both of these men have suffered for freedom of the press. Dr. Gain Za Pas, as you know, fled Argentina a few years ago. His actions have been hailed all over the world and, of course, from coast to coast in Canada. The prime minister of Peru was in jail at one time because of the views he had put forward in his paper.

On Saturday afternoon we had a reception for Canadians in Lima. The delegation received an exceedingly warm welcome there as we did in each of the other places we visited.

In Mexico City yesterday I was met at the airport by Hon. Mr. Tello, the foreign minister. We had a very helpful talk. He drove me to the University of Mexico which has 50,000 students and provides a good objective for Canadian universities in the way of buildings and developments of that type.

On the way down we landed for gas at Brasilia. It was planned to go to Rio which we did eventually but at that time it was fogged in and we landed first at Brasilia. This is the most impressive development I have ever seen. I had read a great deal about it but that is different from actually seeing this brand new capital carved out of the woods, with huge apartment buildings and government buildings that must have cost a great many millions of dollars. It will be a wonderful capital and it means so much to the people of Brazil as a symbol of their development and of the great nation they have become.

In all these countries our Canadian ambassadors and their staffs are doing a splendid job for Canada. In a very real way, they are in the front line in our relations with other countries, and I found them all doing a splendid job.

All of these countries are very much interested in Canada. They are very friendly. Their outlook on world affairs is very much the same as our own. They place great value on their independence. They are all strong supporters of the United Nations and, as a matter of fact, each one of them has had a president of the United Nations, that is, Brazil, Argentina, Chile, Peru and Mexico. I think one of them has had two presidents of the United Nations. Canada has always enjoyed the co-operation of these countries in the United Nations, but they are deeply puzzled that Canadians do not seem to realize that Canada is a very important member of the western hemisphere family. I met this attitude everywhere I went, just a little feeling that Canadians are of the opinion they do not want to be too much involved with these Latin American nations.

I can only say to the house that each one of these countries would make a very staunch friend of Canada. They are all playing a very important part in world affairs, and they are steadily growing in stature. I believe

it will not be very many years until there are more people south of the Rio Grande than there are north of it. I think that Latin America is on the move. These nations, as I have said, are very much like our own, and I believe are extremely important to Canada.

I cannot go farther than that with regard to Canadian policy at the moment. I do say this, however, that the policy of the government has been and is to further improve the good relations which exist between Canada and the Latin American nations. For example 9 plan to set up in the department of external affairs a Latin American division. At the present time we only have a subdivision dealing with Latin American business, but it is far too important to be treated in that way. We have very much in mind the need for closer co-operation with these western hemisphere neighbours of ours and steps will be taken toward that end.

HOUSING

INQUIRY AS TO SECURING OF MONEY FOR HOME CONSTRUCTION

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. Can the minister say what progress, if any, has been made by the government in its reported attempt to secure more money for housing without approaching the market directly?

Hon. D. J. Walker (Minister of Public Works): I would be glad to accept that question as notice.

[*Later:*]

OTTAWA—REPORTED REJECTION OF SUBSIDIZED RENTAL PROJECT

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Public Works. It is based on a story in today's *Journal* concerning the Ontario government's rejection of an Ottawa bid for subsidized rental housing for the underprivileged. My question is this: was the federal government or its agency, Central Mortgage and Housing Corporation, consulted by the province of Ontario before this rejection?

Hon. D. J. Walker (Minister of Public Works): I have not read the article; therefore I do not like to make any comment on an article I have not seen.

Mr. Garland: I shall be glad to send it over.

[Mr. Green.]

IMMIGRATION

INQUIRY AS TO PROCESSING OF APPLICATIONS FROM ORIENTALS

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a question to the Minister of Citizenship and Immigration. In view of the investigations presently under way, will the minister assure the house and the country that the normal and legitimate applications for immigration by orientals are being processed with normal dispatch?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Most certainly, Mr. Speaker.

R.C.M.P. STATEMENTS RESPECTING ILLEGAL ENTRY OF CHINESE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Justice. Does the minister have knowledge of, and does he take responsibility for, statements made by the Royal Canadian Mounted Police in connection with illegal Chinese immigration?

Hon. E. D. Fulton (Minister of Justice): I think that question was answered rather fully in reply to a question the hon. member for Bonavista-Twillingate (Mr. Pickersgill) asked last week.

Mr. Chevrier: The question that I have in mind is directed to statements which were made over television during the week end, so this is an entirely new question. I think the minister should tell the house whether or not he takes responsibility for these statements.

Mr. Fulton: Mr. Speaker, the relationship between the minister and the Royal Canadian Mounted Police is clearly defined in the Royal Canadian Mounted Police Act. I am afraid I was not able to watch every television program over the week end for the good reason that on Saturday I was reviewing the first Battalion, the Queen's Own Rifles at Calgary in connection with the one hundredth anniversary of that regiment, and on Sunday I was honoured by being the recipient of an honorary degree from the University of Ottawa. For these reasons I was not watching television very much.

Mr. Chevrier: Let me congratulate my hon. friend for having received an honorary doctorate from the University of Ottawa. I am sure there is no other university from which I would rather receive an honorary degree than the University of Ottawa.

May I ask a supplementary question. Can the minister tell the house, notwithstanding

his very busy week end, under what authority and under whose responsibility statements made by the Royal Canadian Mounted Police take place, such as the ones that were made over the week end?

Mr. Fulton: Mr. Speaker, as I say I have no knowledge of what the statements were. From time to time officers of the Royal Canadian Mounted Police are interviewed by the press and asked questions, and they do their best to enlighten the press in accordance with the limits of their authority and the secrecy of investigations. I am afraid I cannot answer the question without knowing what specific statements the hon. member has in mind. If he is prepared to elaborate, I will do my best to give him a definitive answer.

Mr. Chevrier: I think the best thing I can do is to get the script and send it to the minister.

PRIVILEGE

MR. CARON—CORRECTION OF STATEMENT IN DEBATE ON MAY 24

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, may I rise on a question of privilege. On May 24 when I was speaking on the supply motion I was referring to an advertisement which appeared in a Belfast newspaper calling for workers to come to Canada. At the time I reported the fact that I wrote to the Minister of Labour (Mr. Starr) and told him we had the case of Mr. Rene D. Lamothe, who was unemployed and who was a meat cutter, which was one of the occupations appearing in the ad.

During the debate I said that I wrote to the minister on March 18 and up to that time, May 24, the man had not been placed. I have learned since that I was misinformed and I want to take this opportunity of apologizing to the minister for repeating the misinformation I had at the time.

FLOODS

LAKE NIPISSING—REQUEST FOR OPENING OF OUTLET GATES

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Minister of Public Works. In view of the flood situation on lake Nipissing, is the department giving consideration to opening the portage gates at the outlet of the lake?

Hon. D. J. Walker (Minister of Public Works): I want to thank the hon. member for Parry Sound-Muskoka for asking the question. The reply is no, as this would further flood downstream on the French river. The discharge at the French river dam is continuing to be maintained as in the state of nature. The peak of flood waters has been reached and it is expected that the level of lake Nipissing will continue to drop.

FIRES

GAGNON, QUE.—INQUIRY AS TO REQUEST FOR AID

On the orders of the day:

Mr. J. R. Keays (Iles-de-la-Madeleine): May I ask the Minister of National Defence whether he is aware of the forest fire that is threatening the village of Gagnon in the province of Quebec. If so, can he inform the house whether any assistance has been requested from his department?

Hon. G. R. Pearkes (Minister of National Defence): I was informed at 3.45 this afternoon that there were some 300 women and children in grave danger in the village of Gagnon, as the village was likely to be overrun by a fire this evening. I got in touch with the transport command and planes of the R.C.A.F. are on their way now and should be arriving at Gagnon any minute.

COMBINES INVESTIGATION ACT—CRIMINAL CODE

AMENDMENTS RESPECTING MERGERS, MONOPOLIES, ETC.

Hon. E. D. Fulton (Minister of Justice) moved the second reading of Bill No. 58, to amend the Combines Investigation Act and the Criminal Code.

He said: Mr. Speaker, since it is now so close to six o'clock and as it is sometimes helpful to the house and to the press if one makes a presentation complete rather than having to break it, may I ask if it would be the wish of the house to call it six o'clock now?

Mr. Speaker: Does the house agree that it is now six o'clock?

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Fulton: I appreciate very much indeed the courtesy which the house showed me just before six o'clock this evening.

In discussing the position and the policy of the government in connection with the bill

now before the house—Bill No. C-58 to amend the Combines Investigation Act and the Criminal Code—I should like to make it clear that what we have presented to the house are amendments to the combines legislation, not a general revision. I know there have been suggestions from time to time that there should be a general revision of the legislation in this field, but it is my view—and it is shared by my colleagues, and I think it will be shared by the house and the country generally—that a general revision would require, possibly, a royal commission and at least a study of the principles of the legislation by a parliamentary committee—a far-reaching and important study beyond the scope of the study we have given to the matter so far and certainly beyond the scope of the amendments which are introduced here tonight.

I should like, therefore, to make it clear that the bill, whose second reading I now move, proceeds on the basis of the inherent soundness of the principles of the present anti-combines legislation. I shall have more to say later with regard to my own view as to the principles of that legislation, and I shall have something to say also with regard to the particular application of those principles. However, I do wish to emphasize that the bill before the house is framed and presented within the general ambit of the principles of combines legislation as we now have it.

In this connection, and in the light of some of the comments which appeared in the press with regard to the bill both this year and last year, perhaps I may be permitted to remind the house that the first anti-combines legislation in Canada was introduced by a Conservative government in 1889. It antedated by one year the introduction of the first federal anti-combines legislation in the United States which, I believe, was the Sherman act.

In 1889, as a result of a committee study, a private member introduced a bill which was later taken over by the government of the day. It was moved by Sir John Thompson, the then minister of justice, that the order be transferred from public bills and orders to government orders. It was then put through as a government measure. That act was followed in 1892 by a further piece of amending legislation introduced on that occasion by the government of which Sir John Thompson was then prime minister, containing in essence the definition of a combine and the essential provisions under which combines were outlawed; provisions which are still contained, with only minor alterations, in the Criminal Code of today in that very important section of the code under which over the years the great majority of combines charges have been laid and prosecuted.

I mention this in order that we may get the whole discussion into perspective, because there have been many suggestions over the years that the governments formed by the party of which I have the honour of being a member have been opposed to combine legislation, and that today we are attempting to do something to weaken the central theme and the operative effect of this legislation. It is, I feel, important that I should give this piece of background in order to remind the house that both the enactment and the amendment—the bringing up to date of anti-combines legislation—is completely in accord with the position of the Conservative party and of Conservative governments over the years, that position being one of belief in the protection of the general interest of society against special interests.

However, this position is based on a fundamental principle that legislation must be workable and practicable and must be kept in touch with the movement of the times. The effect and intention of legislation must be clear, both in order that those who are affected by it may know what their position is, and in order that another very important principle may be maintained, namely that it should not be the government which from day to day determines by private decision what are the rules governing business and society generally, but that the rules governing business and society should be laid down in legislation which speaks clearly and which is capable of fair and immediate application. It is in this spirit and with this traditional background that this government introduces the present amendment to the combines legislation.

While I want to make it clear that the amendments do proceed within the ambit of the principles of the present provisions, we have felt, and do feel, that there are a number of improvements which could be made to the act as it exists. It was with this feeling in mind that immediately upon assuming office with the approval of my colleagues I commenced a study of the combines legislation within my department.

This study was carried out in conjunction with the advisers of my department and of the combines investigation branch, as well as with representatives of business and business organizations who lost no time in making representations to us. It was also carried out in conjunction with organizations representing small businesses and with many other organizations representing every variety of

interests throughout the country. I should like to express my appreciation, and that of the government of Canada, for the contribution which was made by all these organizations and individuals in taking the time and the trouble to bring their views before us and to make constructive and helpful suggestions with regard to the present legislation.

These discussions have been continuing since the time we assumed office in June of 1957 and they have been full and detailed. As a result of these discussions we came to the conclusion that our feeling that there should be and could be improvements to the present legislation were entirely justified.

It was our conclusion that the room for improvement lies in two main areas. The first is in the field of combines legislation as it affects small business. The second is in the field of general improvement.

As to the first, I should like to remind the house of the consistent philosophy of Conservative governments with regard to the problems of small business and small businessmen. I shall have more to say about this in detail later but I just lay the groundwork now by the statement that in general this government believes and Conservative governments have believed over the years that the best and soundest economy is that economy which is based upon the maximum participation of the greatest possible number of independent operators in that economy, and that it is an unsound economy which relies for its operations either on the employment of everybody by the government or the employment of everybody by some giant corporation or corporations. Our objective, therefore, and our philosophy in this field is to bring the maximum reconciliation in the way of the protection of small businessmen, on the one hand, and the interests of the community, of the consumers and of society generally on the other.

I should perhaps remind the house here that our interest in the welfare of small business is demonstrated not only by the amendments which we are introducing to the combines legislation at the present time as a result of those studies which we have made, but also by the establishment a year or so ago, in accordance with a previous pledge, of the small business section of the Department of Trade and Commerce which has been working quietly and effectively with the representatives of small business and small businessmen to devise policies which would protect and promote the interests of the small independent operators.

It is clear, Mr. Speaker, in what I am saying that this is a consistent policy adopted by this government and this party over the years. I am sure that many hon. members in the house today will remember the position we took in 1951 when there was before parliament an amendment to the Combines Investigation Act which resulted in the enactment of the present section 34 of that act. At that time the position taken by the Conservative party, then in opposition, was that the legislation was hasty and ill conceived because, although based upon a principle which in theory commanded some popular support and indeed some general support, it was enacted at a time and in a manner which left small business completely defenceless against the operation of their more powerful competitors and the large chain concerns and particularly which left them defenceless against that practice known as loss leader selling as well as a variety of other types of unfair competition.

It was on that basis that we took our position in opposition to the enactment of section 34 in 1951—on the basis that while we would not condemn the principle that manufacturers should not have the right to impose their own price structure throughout the whole chain of distribution and retail selling, nevertheless the legislation of that day left the small businessman defenceless against the evils to which we anticipated he would be exposed. Our fears were substantiated and have been substantiated by the experience of small business over the years since that time. Particularly they were substantiated by the complaints and representations that I received during the months and years within which, as I have outlined to the house, our study of this legislation has been carried on since we assumed office in June of 1957.

As a result of the consideration of the representations that were made to us we came to the conclusion that we would be justified and that indeed it was essential that we amend section 34 of the Combines Investigation Act to give a measure of protection to the small businessman. We came to the conclusion that we would not be justified in repealing the section and we made that clear to those with whom we discussed it from the very outset but we said we did believe their position required protection and that we would study and consider the introduction of amendments to the section to give them some degree of protection to which they were legitimately entitled.

The second of the two main fields in which we came to the conclusion that improvements to the combines legislation could and should be made was in the area of bringing up to date and clarifying the law so as to make it more adaptable to the mid-twentieth

century economy in which Canada, Canadian business and the national economy must exist and compete.

I want to emphasize for a moment that in a country such as Canada with an economy dependent as it is on successful competition in international as well as domestic markets it is essential that this type of legislation with which we are dealing, the anti-combines legislation, should take account of the type of economic climate in which the nation exists. It is not my purpose either at this time or at any time during the discussion of the legislation which I have the honour to present to enter a plea for or against business or individual businessmen as such. I rather base my position on what I believe to be a realistic assessment of the position of the Canadian economy generally. I do suggest, however, it is an essential fact for us to realize that the Canadian economy depends in very large measure upon the success of Canadian business and the welfare of the Canadian worker depends to a very large extent, as does the ability of the Canadian government to meet its responsibilities, upon the welfare of Canadian business.

I think this can and should be said but certainly in saying it—and I emphasize this —I am not entering a plea for or against the individual position of any particular business or businessman. In the light of this—what I take to be a reasonably self-evident fact with which I doubt if my hon. friends in the opposition will quarrel; in the light of this proposition—I am somewhat surprised to find the lengths to which certain newspapers, new organs,—generally speaking, those which support the party to which my hon. friends in the official opposition belong—have gone in discussing this legislation. I am somewhat surprised to find the virulence of their attack upon Canadian business. I make this comment merely by way of general comment because I am quite certain that you, Mr. Speaker, and other hon. members of this house and members of the public outside this house will have read some of those articles. I do not think that at the present time, at any rate, I need to go any further than to make the general comment because it is my view, that the very virulence and violence of those attacks destroy their effectiveness.

However, I shall come back later to this question of the general philosophy which should govern the attitude toward the various people affected by the combines legislation when I discuss some particular changes we are making. At the moment, however, I was making the point that we are living in the mid-twentieth century, and the laws by which we govern—and those laws include the government and welfare of individuals as well as business—must keep pace with the economic developments of the times. It is in part in that spirit that we have approached the problems of amending the combines legislation.

As I say, as a result of our studies we came to the conclusion that there could be improvements made in the law in the light of those considerations. We came to the conclusion that there are uncertainties in the law and that, as a result of those uncertainties, there have arisen rigidities in the patterns and in the attitudes of business itself. It is as a result of those rigidities, which in turn arise from the uncertainties with regard to the law, that some practices are discouraged—not practices which might be but practices which would be beneficial in their results to society—simply because of the uncertainties which exist in the minds of those concerned with regard to the provisions of the law and their general extent and effect.

It seemed to us that it is a responsibility of the government in reviewing the law and in the circumstances under which we reviewed it that, having come to this conclusion, we should take what steps we could to remove those uncertainties in order that we might make it possible—not dictate, because we do not dictate either to the individual or to business—but make it possible that those practices which would be beneficial to the economy might be carried out, and we believe will be carried out, by business when those uncertainties are removed.

In this respect, Mr. Speaker, I should like to emphasize that in the particular field of combines legislation—I am here dealing with combines as a technical term as distinguished from mergers and monopolies—we came to the conclusion that what is called the per se rule should be retained and maintained in its full vigour and effect. I want to state here and to make clear beyond the bounds of controversy—and I shall be restating it from time to time in the course of this discussion—that with regard to a combination in restraint of trade which has for instance the elements of price fixing or the parcelling up of markets, or the prevention of entry into the field by other individuals or enterprises, there is no weakening, no lessening in our position of condemnation of that kind of operation. And by the same token and to the same extent there is no weakening, no lessening, no cutting away of the foundation of the legislation or of the case law which condemns such operations under what I have called the per se rule, which is the result of the application of judicial decisions to the legislation and which has in effect laid down

the policy that such combinations are offences per se. There is no weakening of this principle but, Mr. Speaker, within this framework we believe that clarity and improvement could be achieved even in that branch of the law which relates to combines as distinct from mergers and monopolies.

And so as the result of this process of study and discussion, we came to the conclusion that legislation should be introduced having as its end three main purposes: first, the consolidation of the existing provisions of the anti-combines legislation; second, the clarification of those provisions; and, third, the provision of new procedures and remedies open to the government, procedures and remedies by which the combines branch and my department may more readily enforce the law in the interests of society generally.

It is, I think, interesting, and it is appropriate for me to point out at this time, that two of those three headings which I have mentioned as main purposes of the legislation, namely consolidation, and provision of new procedures, are covered by the recommendations of the MacQuarrie committee which was appointed by our predecessors, and whose report is found in the volume entitled, "Report of the committee to study combines legislation" printed in 1952. I would refer the house particularly to page 37, pages 40 to 41 and page 48 of that report as the foundation for the statement I made that two out of those three purposes are included in and supported by the report of the MacQuarrie committee.

Within that general background, Mr. Speaker, may I turn to the history of the amendments before the house. You will remember that during the course of the last session the government introduced a bill to amend the Combines Investigation Act and the Criminal Code with the purposes as I have mentioned in mind. That bill was No. C-59. It is interesting, Mr. Speaker—and I know I must not revive a debate—to recall, in the light of what was said this afternoon that this year we seem to be one stage ahead because the bill we have this year is No. C-58. To that extent the house is better off than perhaps some of my hon. friends were suggesting during the course of this afternoon.

After the introduction of that bill we received representations from businessmen, retail merchants associations, professional economists, consumer and other groups, that the bill should be deferred so that those groups might have an opportunity to study it more thoroughly and make representations to us about it. In view of the importance of legislation of this kind for the welfare of our whole economy we considered it our duty to ensure that the legislation which would ultimately be enacted would be in the most adequate, effective and workable form. We accordingly decided to postpone until this session the consideration of such amendments to the Combines Investigation Act and the Criminal Code.

At that time I declared that while the bill might not be in exactly the same form as the one introduced last year, it was our firm intention to reintroduce legislation along the same lines at the present session and to deal with that legislation at this session. As a result, we received a large number of representations from various organizations and people representing all sections of the community. I should like once again to express my appreciation to all those who have made representations for the assistance they have given in the study which we felt should be made of the legislation which we proposed to introduce, which study has been carried on again in great detail since last year.

The result of this study is the bill which was introduced in this house on May 6 and is now before us. In reading this bill, hon. members will, I know, have noticed that it embodies some modifications from last year's proposed amendments, and also some new provisions which did not appear in the previous bill and perhaps, for convenience of reference and discussion, I might be permitted to divide the provisions of the present bill into three main groups.

First, there is the set of substantive amendments, amendments affecting the offences as they are spelled out in the law. These are, in short, the amendment of the provisions relating to conspiracy and several amendments in the matter of unfair trade practices, especially in relation to the operations of small businesses.

Second, there is a set of what could be called procedural amendments. They relate in particular to the new jurisdiction conferred on the Exchequer Court of Canada, an amendment permitting a restraining or dissolution order without a conviction where the offence has been completed; also, a provision requiring the commission to make certain additional specific findings where it appears that a combine has existed.

Next in this group are the amendments consolidating the related provisions of the Criminal Code and the Combines Investigation Act and ensuring the uninterrupted continuation of the law contained in section 411 of the Criminal Code.

Third, there is a group of what I would call consequential amendments. These are represented in particular by restatements of

definitions made necessary as a result of consolidation of the legislation, and a certain number of amendments dealing with changes in the cross-references. I should like to emphasize at this point, Mr. Speaker, that although there have been restatements of definitions made necessary as a result of consolidation there has been no change in the effect of the definitions. We have been as careful as we could be to make certain that, although we were carrying out the rewording made necessary by these consolidations, there was no change in the effect and that the only change that was made was along the lines of greater clarification.

Having summarized the nature and groupings of the amendments, perhaps I should proceed now to a brief discussion of the principles behind the anti-combines legislation because I think it is important to emphasize again that the principles behind these amendments are the fundamental principles so far contained in Canadian anti-combines legislation. I should also like at this point to come to the discussion which I forecast, namely a discussion of the government's position with relation to those principles.

As I have previously indicated, the government believes that the principles of the legislation now in effect are sound, and it could hardly be otherwise inasmuch as I may perhaps be permitted to remind the house again that it was a Conservative government which first introduced the main operative provision of the anti-combines legislation. What are these principles? I think it should be recalled by the house that the Canadian legislation in this field is of very long standing. As I have pointed out, the first provision in our history antedates by one year the first federal provision in the United States. All through these years the principle at the basis of the 1889 act has been constantly maintained by parliament. We find that principle in the present Combines Investigation Act; and in the proposed amendments before the house it is maintained in its full integrity.

The basic principle is that a free enterprise system is the system which will yield the highest material standard of living in conjunction with the greatest possible degree of political, economic and social freedom for the individual and that this system of free enterprise will be best maintained through the operation and preservation of active competition between the various sectors of the economy. It is our belief that in most sectors of society competition is still the best mechanism for allocating resources and distributing what those resources produce and for regulating relationships between men in the course of production and consumption.

[Mr. Fulton.]

We reject on the one hand the rigid and unfair system of a cartelized economy whereby huge industrial concerns and financial empires would completely control the destinies of the economy and in the end the affairs of our society. We categorically refuse such a system of allocation of resources, relying as it must upon the mechanism of monopolies and combines and other similar trade and industry arrangements. But we also reject on the other hand the paraphernalia of state planning, a system of state regimentation whereby the government would make deliberate decisions as to the amount of resources that would be allocated to each of the different needs of the community and where the government would determine not only the conditions and quantities of production but also, of course, the price and the quality of the product, and would also have to determine and dictate who and how many people would engage and where they would engage in the production, the distribution and the retailing of the particular product.

We as the government, Mr. Speaker, do not want business to take over government but neither do we want the government to take over business. What we want, to the greatest extent possible, is a free enterprise system according to which the allocation and distribution of resources will be determined by the operation of active competition, and this is where the anti-combines legislation comes into the picture. This legislation is a program designed to maintain those competitive conditions which will make a free enterprise system work and work to the advantage of society and all segments of that society.

In order to achieve that purpose the anti-combines legislation, however, must deal with various types of situations, price fixing combines, mergers, monopolies and various unfair trade practices. It is thus apparent that there must be two main groups of provisions found in any effective anti-combines legislation and these two main groups of provisions are found in the Canadian anti-combines legislation. The principles of these provisions are accepted by the government in accordance with the philosophy I have just outlined, and it is on the basis of those principles that we have brought in this bill to improve, modernize and make more effective the machinery by which these principles are carried into practice.

Perhaps at this point I should elaborate in somewhat greater detail what are the concepts and effects of these two main groups of provisions. The first group is that group dealing with combinations, mergers and monopolies. The purpose and effect of this

group of provisions are to protect the interests of society in free competition, to protect that interest against the temptations, the pressures if you like, to which business, if left free to its own devices, would be exposed and subjected, pressures and temptations which would and on occasion have led them into the pattern of combination, merger or monopoly.

The second main group of provisions is a group dealing with specific unfair trade practices. The purpose of this group of provisions, as contrasted with the first group, is to bring a degree of protection, particularly for small businesses, against the power of the purse and the danger that such small businesses will be eliminated not because in their own field they are inefficient but simply because they do not command the size and weight of resources which their competitors command and which resources can be used ruthlessly or unfairly to eliminate their smaller competitors.

In protecting thus, in specific detail if you like, the position primarily of the smaller businessmen and smaller businesses we are, I submit, also protecting society itself because, as I have indicated previously, it is our view that society also has an interest in seeing to it that the maximum number of independent businesses consistent with efficiency are kept in operation.

An hon. Member: Consistent with efficiency.

Mr. Fulton: We believe, as I have said before, that that economy is in the soundest condition which is based upon the participation of the maximum number of independent operators. I heard somebody on the other side say "consistent with efficiency", thereby picking up a remark that I had made. May I remind the house that in the same way as we believe that bigness is not necessarily badness, notwithstanding what some of the newspapers have said, so we also believe that bigness is not necessarily synonymous with efficiency, and it is our view that there are just as efficient operators in the field of small business as there are in the field of big business. It is our desire and our aim in this legislation to protect these efficient small operators against the power of the purse which is sometimes brought against them ruthlessly and unfairly by very large and powerful competitors.

And so, Mr. Speaker, this bill starts from these basic assumptions I have outlined and proceeds on the basis that there are, and should be, these two main groups of provisions. On this basic assumption, the bill seeks to accomplish two things. First, it is designed to improve the existing provisions of the legislation by way of clarification and consolidation and, second, it is designed to bring the law in important particulars into line with twentieth century developments and to adapt it to the problems and situations of the twentieth century economy.

On the basis of this classification of the provisions into two main groups, may I offer first an analysis of the amendments. Among those amendments conducive to the first objective I would suggest the following: The consolidation of the Criminal Code and the Combines Investigation Act provisions; the clarification and consolidation of the definition sections—again emphasizing that there is no change in effect; the provision making it clear that acts which are beneficial to the public, such as the pooling of resources for research and do not constitute a combine as defined can be carried on without danger of mis-construction or conviction.

Among the amendments conducive to the second objective, for instance, are those such as the provision to protect the small businessman against discriminatory and unfair trade and pricing practices; the provision against misleading advertising; the provision—with respect to this one I must say that to some extent it promotes both the first and second objectives—to establish that various types of co-operative activity which are beneficial can be carried on. Again, I mention the type of activity which is embraced within the provision regarding the pooling of resources for research.

Perhaps I should stop here for a moment to mention one of the submissions that was made to us and which, quite frankly, carried a very great deal of weight with us. It is a statement of fact that in comparison with United States industries Canadian industries are at a great disadvantage. One can think of almost any number—certainly a considerable number—of United States industries which would embrace within the single scope of their activities the market and the productive capacity, of a large number of Canadian industries. In other words, it would generally take several Canadian industries to equal just one of these giant United States corporations. Each one of these big United States corporations carries on extensive research work within their own ambit. Research, as is well known, leads to economies of production; it leads to benefits to the public; it leads to benefits to the workingman; it leads to benefits generally to the national economy.

One of our problems is that researchwise we are very deficient as compared with the United States. In the field of industry it is

surely self-evident that very few of our individual industries can begin to compete researchwise with these giant United States corporations. It, therefore, seems to me to be equally self-evident that it is desirable if we can bring about a situation in Canada under which our industries can pool their facilities for research, so that together, co-operatively, they can begin to compete in this one field alone with what is carried on in the United States by their competitors.

We were faced, therefore, with the problem of whether we could find a legislative device or a legislative provision which would permit the carrying on of a co-operative arrangement between industries in Canada to produce this desirable objective without, at the same time, providing a cloak or umbrella, if you like, under which industries could in fact combine in a manner contrary to the best interests of the economy and of the public generally. We came to the conclusion that we could devise such a legislative formula, and we came to the further conclusion it would be in the interests of the Canadian economy for us to do so. This is the reason for this provision in the amending bill before the house. I am prepared to defend that provision in debate here and in debate elsewhere.

I was dealing, before I went into this aside, although it is an important aside, with the amendments conducive to the second of the two main objectives I have mentioned, that is the objective of bringing the law up to date and making it fit with the twentieth century economy. I should like to conclude this list of such provisions by mentioning the amendments establishing new methods of procedure. I should like to emphasize here that these amendments are contemplated by and, indeed, recommended by the MacQuarrie committee report.

I would suggest without hesitation that all the amendments before the house are faithful to the history and spirit of anti-combines legislation as it has existed over the years, but they have the advantage that they bring this legislation up to date; they bring it into line with the needs of the mid-twentieth century economy. They not only accomplish this objective, but they do so while obtaining a workable and effective system of legislation against antisocial combines or arrangements. They do so also while at the same time bringing a degree of protection to the small businessman who is so vital to our continued free economy.

It is against this background I should like now to give a more detailed discussion of the actual provisions of the amending bill. I will begin by discussing the substantive changes, then the changes of a procedural nature and I should like to conclude by a few remarks on the amendments of a consequential nature. I am aware, Mr. Speaker, of the rule against discussion of the details of a bill, and particularly of the clauses, in a debate on second reading. I shall do all I can not to transgress the prohibitions of the rule. It is, however, difficult, as I know you will appreciate and as my colleagues in the house will appreciate, to discuss an amending bill which contains a lot of particular amendments without some discussion of the reasons for the amendments. Therefore, while I will attempt to avoid reference to the clauses in detail, I should like to assist the house by discussing the arguments, if you like, which have given rise to these specific amendments.

First, in so far as the substantive changes are concerned, it will have been noted, I am sure, that the provisions of the Criminal Code relating to combinations in restraint of trade are moved out of the Criminal Code and into the Combines Investigation Act. The result will be, when the new bill passes, that the Combines Investigation Act will contain all the anti-combines legislation. Sections 411, 412 and 416 of the Criminal Code would then be repealed. There are a variety of arguments, which have been made both for and against this proposition. Many of them were summarized in the MacQuarrie committee report to which I have referred. After listening to the representations and discussing them in detail with those who made them, as well as reviewing the MacQuarrie committee study, we came to the conclusion that in view of the desirability of achieving certainty and clarification in the combines legislation, and in view of the changing nature of economic conditions, it would be desirable to consolidate all the provisions into the one combines act.

But I should point out here that the definition of a combine as contained in the Criminal Code has been retained. All that has been done in effect is to transfer it from the Criminal Code into the Combines Investigation Act. It is this definition which was the operative definition under which the great majority of cases were brought and under which definitive jurisprudence has been developed. This definition is contained, with only consequential changes in the wording, in the new bill.

Other substantive amendments deal with the desirability of ensuring that the combines law does not become so rigid that, while discouraging the doing of that which is antisocial and which has been in effect defined by the jurisprudence as being subject to condemnation by the courts, it might also

deprive society and the country of the benefit of practices or developments that are not only not harmful but indeed are positively beneficial. Thus, while combines in restraint of trade, combines which fix prices or discourage competition or prevent entry into trade or industry—all those combines which over the years legislation and the courts have declared to be harmful and have prohibited subject to heavy penalty—while these are still left under the full condemnation and operation of the undiluted law, nevertheless it is recognized in the legislation that certain forms of co-operation are beneficial.

A few moments ago I mentioned one of the forms of co-operation, namely that in research, which will itself be beneficial to the economy generally. Other forms of co-operation which it is recognized may be beneficial are enumerated in the bill, particularly in clause 32. Perhaps I should not mention the clause in detail, but one of them that I might mention generally is the exchange of credit information. There are six of them that are specifically mentioned, all of which we believe can be demonstrated to be positively beneficial to society and to the economy generally.

To give effect to this principle the bill first repeats the definition of a combine as contained in the Criminal Code. Incidentally, I should point out that the word "unduly", of which mention has been made in certain newspaper articles, was always there. It has been there since a Conservative government first enacted it in 1889 and it is still there. The bill repeats the combines definition of the code, but then in order to carry out this principle I have enunciated it provides that there shall be no conviction if the co-operative arrangement relates to only one or more of the demonstrably beneficial purposes, two of which I have mentioned. The others are spelled out in the bill.

Finally, in order to make assurance doubly sure that there can be no possibility of carrying on an illegitimate type of combine activity, the bill concludes in this respect by making it clear that the defence of beneficial arrangement cannot be used as a cloak or umbrella under which to carry on an antisocial or illegitimate type of combine activity.

If I add that all of the combination cases that have been dealt with by the courts under the anti-combine legislation have been cases of price fixing it will be seen that the present bill does not affect the law against price fixing and any combination case of any kind under which a conviction was secured in Canada would be equally liable to secure a conviction under the amended provision; but at the same time we hope this amendment will contribute to alleviate the concern of legitimate business and make it clear that they may engage in activities which would benefit the Canadian economy and that if they confine their co-operative activities to these beneficial activities they need have no fear of prosecution or conviction under the combines legislation.

I should like next to draw the attention of the house to a second group of amendments affecting the substance of the Combines Investigation Act. It relates to a certain number of trade practices and aims toward a legitimate degree of protection for smaller business against what would otherwise be the unrestricted and dominating economic strength of their more powerful competitors. In this second group there are four amendments of particular importance. One relates to the practice of loss leader selling and other similar practices. Another relates to making more efficient the present provisions of the Criminal Code which are translated into the Combines Investigation Act, regarding discriminatory pricing. Another deals with promotional allowances and finally there is an amendment affecting misleading advertising.

With relation to the amendment affecting loss leader selling and related practices, it will be recalled that when section 34 of the Combines Investigation Act was passed in 1951 we as the opposition took the stand that it was being passed in undue haste and without consideration of the safeguards that would be necessary to protect smaller merchants against the practice of loss leader selling which we believe this section would encourage. We have received in detail a large number of complaints from small merchants and their organizations with regard to the practice of loss leader prices and certain other undesirable practices that have become prevalent with the results that we feared.

May I emphasize that in virtually every case the representations received in this field came from small business or their representatives, not from large concerns or from the manufacturers. The representations we received were to the effect that small business is powerless to protect itself and that small businessmen are powerless to protect themselves against the power of a large concern; that their interest in continuing as an established outlet of a known line of goods is jeopardized and therefore their ability to continue in business at all is at stake. Anyone who is familiar in any way with the interests and the operations of small business I think will appreciate the urgency of these representations.

We are satisfied that the practices of which they complain and which they brought to our attention are not in general beneficial to

consumers. Many of the practices complained of are based on one form or another of misrepresentation with regard to the availability of the goods or with regard to the standard of services to be provided by the person or concern that sells them or by some other come-on device which the consumer finds, to his disadvantage, has misled him when he purchased the goods. Some of these practices constitute an attack on the legitimate interests of both the established retailer and the manufacturer in regard to the reputation, the quality and the availability of the goods and all of them operate to the detriment both of the retailer and in the long run of the consumer himself.

There are therefore in this field two problems. The first is how to get at this situation and find an effective method of dealing with it without doing the consumer or the retailer a disservice or eliminating the genuine type of sale and therefore eliminating the possibility of reduced price advantage.

The second problem is how to do this without getting into the field of such detailed regulation of trade and business as to be impracticable and undesirable, if not actually unconstitutional, for the federal government to embark upon.

Notwithstanding these problems we were determined, for the reasons I have given, to protect the legitimate interests and position of the small businessman whom we still regard as the backbone of a truly free economy. We regard it as desirable to retain the maximum number of independent operators. We regard it as desirable to ensure that we shall not end up with the position where everyone is working for someone else, whether it be a giant corporation or the government.

The problem is difficult, and there have been criticisms, I know, of the solutions we have found. It would have been easy enough to have taken the attitude: let her rip, after all it is a free economy; let it find its own level. The giant corporations would have been happy, but I do not think we would have been doing a proper service or doing our duty to the Canadian public generally. So we determined to find a solution, and I believe the solution we have found meets both the problems that I mentioned a few moments ago.

The solution in general provides that if supplies to merchants are discontinued only for one of the legitimate reasons mentioned in the legislation and not for the illegitimate purpose of forcing a manufacturer's price level on the public, then there is no offence. Such an answer would be a defence to a prosecution, if one should be brought. This amendment to section 34 has two beneficial results. First, it is in clarification of the law. I want to make this clear: it does not restore resale price maintenance, in spite of what the Winnipeg *Free Press* said, but it will bring about a situation where small businessmen may be helped to meet practices which confer no lasting benefit on the consumer and which are as undesirable from a consumer standpoint as from that of competitors and manufacturers. It should help the small merchant to stay in business so long as he is efficient, to the advantage of the consumer and of the economy generally without the danger of his being callously eliminated by the mere power of a rival's purse. It will also tend to prevent the monopolization of certain trades by particular merchants through the instrumentality of unfair and undesirable business practices. At the same time the amendment does not prevent downward pressure upon prices which are occasioned by the ability of some merchants, due to their efficiency or methods of operation, to sell at prices lower than others, nor does it restrain the genuine clearance sale.

Another amendment to which I should like to draw the attention of the house is the one relating to what is presently section 412 of the Criminal Code, which will become section 33A of the Combines Investigation Act. This section, in part, forbids businessmen to follow a policy of selling articles in any part of Canada at lower prices than they charge elsewhere in Canada, where that policy has or is designed to have the effect of substantially lessening competition or eliminating a competitor, and it also forbids the policy of selling articles anywhere at prices unreasonably low, having or designed to have the same effect. In operation it was found that the requirement which the crown had to meet was such as to make this section of little effect. It has therefore been amended to provide that if the policy has a tendency to substantially lessen competition or eliminate a competitor, this is sufficient to constitute the offence.

A third amendment in this group would insert a new provision dealing with promotional allowances. A report of the restrictive trade practices commission published in 1958 and relating to discriminatory pricing in the grocery trade pointed out that a common source of discrimination lay in promotional allowances lying outside the scope of present legislation. It has been decided to eliminate the element of discrimination to which this report pointed, and the new section therefore provides that where a merchant or other supplier grants promotional allowances, he must do so on a reasonably proportionate basis to all his competing customers. I might

also add in this connection that the recent report of the royal commission on price spreads of food products stressed the desirability of restricting promotional allowances in favour of price reductions as a method of competition. While it might, on first view, appear paradoxical to try to achieve this purpose by requiring that promotional allowances, where granted, be without discrimination, we believe that this provision is likely to have the effect of discouraging such promotional allowances by the very fact of requiring that if granted at all they be granted generally to competing customers. And certainly if it does not have this result it will at least restore equality of competition as between large and small merchants by requiring such an allowance to be granted proportionately to all purchasers.

The fourth and last amendment to which I wish to refer in this group is a new section forbidding anyone, for the purpose of promoting the sale or use of an article, to make a materially misleading representation to the public concerning the price at which such article is ordinarily sold. Quite a few instances have come to the attention of the combines branch, some of them occurring in the catalogues of so-called catalogue houses, but occurring in other places as well, where a merchant, in order to make it appear that the price at which he was offering an article was more favourable than was actually the case, misrepresented to the public the price at which such article was ordinarily sold elsewhere. Besides being deceptive as far as the buying public is concerned this practice also constitutes an unfair method of competition with respect to other merchants.

In summary, these amendments relating to discriminatory and predatory pricing and deceptive price advertising have a multiple purpose and effect. In all instances they directly or indirectly protect the consumer and will bring greater honesty into all branches of trade. In some instances they also protect, or give a chance for protection, to merchants, usually the smaller merchants, against unfair competition which does not relate to competitive efficiency; they confirm to a manufacturer some right to prevent his product from being abused or used as a come-on device; and, finally, but not least, they are in the long term direction of maintaining competition by cutting down practices or assisting in the prevention of practices which may serve to eliminate competitors and therefore competition through means other than straightforward and real competition itself.

May I now draw the attention of the house to certain amendment of a procedural nature. I should mention a procedural innovation of particular interest. It consists of conferring upon the Exchequer Court of Canada concurrent jurisdiction with that of the superior courts of the provinces to try the more serious of the anti-combines offences or to entertain applications for orders of injunction or dissolution. This jurisdiction of the exchequer court could only be invoked, in the case of a prosecution, with the consent of the accused and of the crown, and the section is made subject to proclamation by the governor in council in order to permit us to consider what arrangements might be necessary for its implementation. Such a procedure, we believe, would be very beneficial to all parties concerned, since it would lead to more expeditious and less expensive handling of cases; it would also eventually develop a corps of judges expert in anti-combines jurisprudence and permit such cases to be presented to the court by members of the bar of any province. This seems only fair in view of the fact that major anti-combines cases ordinarily extend over a number or even all of the provinces and have effects beyond the province in which the venue for trial is ordinarily laid. May I again emphasize in this connection that the procedure of reference to the exchequer court in the case of a prosecution for a completed offence or an action in respect to a completed offence can only be followed at the instance of the crown with the consent of the accused.

In addition, by way of other procedural amendments, the bill would permit as an alternative to prosecution leading to conviction and fine or imprisonment an action directed to obtain an injunction or, in the case of a merger an order of dissolution, even in a case where the offence has already been completed. Such an action may already be brought in the case of an incipient offence but the wording of the section leaves in doubt, at least, whether it could be invoked where the offence has been completed.

In the case, for example, of price fixing combinations the law is now clearly established and it is not intended to apply the amendment in such cases. Everybody knows what a combine is and prosecution and conviction are the appropriate procedures there, but there are other cases where the difference between legality and illegality may depend upon a pretty fine judgment on the part of the parties concerned and their counsel. It seems appropriate that in such cases it should be possible to redress the situation by other means.

May I emphasize here, too, that this is an alternative procedure the choice of which will lie with the prosecuting authority and that it will provide a speedier method of disposing of appropriate cases and of building

up a body of jurisprudence, while still leaving it open to prosecute in the ordinary way where the appropriate course is prosecution and conviction. Because a great deal has been made of this in places outside this house, may I again emphasize here that this also is inherent in the recommendations of the MacQuarrie committee which reported in 1952.

Next comes an amendment which will be a useful guide to the department. May I pause here for a moment to say that one of the difficulties of the present law is that it is a difficult one to interpret and apply. We do not want to relieve ourselves of this difficulty simply for our own convenience but we think it would be desirable to resolve or remove the difficulty if possible in order that the application of the act and the remedies under the act might be more clear, more certain and more speedy because this is certainly in the best interests of the government as well as the parties concerned and the economy generally.

There will be a useful guide to the department in the new amendment, in determining whether the appropriate remedy lies in a prosecution or in a suit for an injunction to restrain the further operation of the combination. It would also make clearer to the public the nature of the combination which was made the subject of an investigation and a report. This amendment in question adds to the terms of reference of the restrictive trade practices commission by directing the commission in the case of a combination to make a specific finding as to whether or not the combination relates to practices such as price fixing, which parliament and the courts have unequivocally condemned, or other like practices; or whether it relates to one or more of the other matters which I have described as matters in respect of which co-operation among firms is not necessarily to the public detriment. The amendment also requires the commission, if it finds that the combination relates to one of these latter matters, to make a further finding whether, in spite of the appearance of the combination, it does adversely affect competition in respect of prices, entry to market or like matters.

The last group of provisions in this bill are what I have called consequential amendments of a mainly ancillary nature. Certain definitions have been inserted for convenient reference. Certain sections have undergone clarification or other changes necessarily incidental to the main provisions which I have mentioned. Here I should merely like to draw the attention of the house to an amendment in relation to mergers. The section making it an offence to be party to a merger remains in effect the same. However, hon. members will notice that a new definition of the merger has been introduced in the Combines Investigation Act.

In the present legislation we have a composite expression "merger, trust or monopoly", which is given an all-embracing definition. It has been found that the word "trust" is really redundant and that the first part of the definition may be said to relate to a merger and the second part to a monopoly. It was decided, therefore, to remove the word "trust" and with this and the removal of the definition of "combination" to a new section which, as explained, carries forward the present Criminal Code definition, a rewording of the present definition section became necessary. There is no change in the effect of the definition of merger but it is made clear that the gist of the offence is the lessening or the likelihood of lessening competition and that the degree of lessening which is necessary in order to constitute the offence is a degree that the court would find to be against the interest of the public. At the same time, it was decided to give the court a measure of guidance by indicating that it might look for a lessening of competition, in the case of mergers, not only in horizontal integration but also in vertical integration.

I have tried Mr. Speaker, to give the house a fairly comprehensive description of the significant provisions of the bill. I shall expect to add some details later on as the house proceeds with its study of the legislation. But before concluding I should, I think, say a word or two about some of the changes in the present bill as compared to the bill introduced into the house last year. Here I wish to refer primarily to modifications with respect to combinations and mergers. Representations were received concerning the drafting of clause 32 in last year's bill. Businessmen and lawyers in particular feared that our amendment actually resulted in a shifting of the burden of proof from the crown to the accused. Let me say first that such a thing was never in the contemplation or intention of the government and we think the fears expressed were misplaced and exaggerated, but there were fears and they were expressed forcibly and genuinely. In order to make the situation clear, therefore, we have redrafted section 32 so that there can be no doubt whatever that the burden of proof lies upon the crown as has always been the case in the anti-combines legislation.

Second, certain provisions with regard to mergers have been dropped After reconsidering all of the factors involved and in view of the fact that a number of cases relating to mergers are now before the courts or before the restrictive trade practices commission we

decided that it would be preferable not to proceed with any change in the substantive law with regard to the merger provisions for the time being. When a larger body of jurisprudence has been developed as a result of the cases before the courts or before the commission and when several reports of the commission have been made public then we will be in a position to give consideration to whatever amendments may be required in this connection.

In the latter part of my remarks I have been discussing the bill itself and some of the changes in this bill as compared with last year's bill. I have endeavoured to be as non-controversial as appropriate or possible in a discussion of legislation of this kind and particularly with regard to the presentation of the material in the bill itself I have tried to make a factual presentation. I hope to conclude my remarks in that same vein. I do not think, however, that I can overlook in this connection some remarks made by the Leader of the Opposition (Mr. Pearson) in the course of the annual meeting of the association of his party. He said at that time, in effect, that our enforcement of the Combines Investigation Act was not such as his party would engage in; they believed in anti-combines legislation but they would not, in contrast to us, persecute big business.

I think I should point out that what we have been doing since we assumed office is enforcing as fairly, impartially and vigorously as possible legislation with respect to which all the most recent parts were placed on the statute books by the Liberal government. I think, therefore, Mr. Speaker, that in fairness I may challenge the Leader of the Opposition (Mr. Pearson) that before this debate is concluded he must either justify his innuendo of our persecution of business or stand branded as one who makes remarks of this sort for the sake of political advantage.

Mr. Pearson: Something you have never been known to do.

Mr. Fulton: I would be interested to hear what the Leader of the Opposition has to say in this respect; but perhaps it is also fair to note that the attitude of the official opposition at any rate has been revealed for us in part by some other remarks made by the Leader of the Opposition in a television broadcast in January of this year. I suppose to some extent we might have been left in the dark otherwise if the hon. gentleman had not thus revealed his hand, although we probably would not have been quite so much in the dark as to the attitude of the C.C.F. group in this house. But I recall that in January of this year the Leader of the Opposition told the country in the course of a television broadcast that the Liberals in parliament would strongly oppose the government's forthcoming amendments to the Combines Investigation Act. This, mind you, Mr. Speaker, was said before the details of our present amendments had ever been revealed.

Mr. Pearson. The bill had been distributed.

Mr. Fulton: Not the new bill. It is a difficult task to enlighten or to undertake to enlighten persons who have indicated such a preconceived and prejudiced view of legislation which is going to be introduced.

Mr. Pearson: It was introduced last year.

Mr. Fulton: I have said that the details of the present amendments were not known to the house or to the hon. gentleman when he made that statement, and I stand by what I say. It is difficult to suppose that we shall be able to enlighten those persons who take such a preconceived and prejudiced view in advance of the bill, but we shall do our best. We are prepared to defend the legislation and to discuss it, and to discuss any points which my hon. friends may bring forward.

We remember also another occasion—I do not think it is inapt to recall it here—in this parliament. In 1956 statements were made outside the house with regard to the attitude to be taken by the opposition with respect to legislation to be introduced by the government of that day. I remember that we said we were going to oppose the legislation vigorously and violently and to the utmost of our ability. I also remember closure—I also remember, Mr. Speaker, that that indication of our attitude on that occasion called forth the immediate application of closure by the government so that the House of Commons might not have the opportunity which the opposition wished to have of discussing the legislation freely and fully.

Mr. Speaker, times have changed. I regret the preconceived and prejudiced attitude of the opposition revealed in that television statement, but I assure the Leader of the Opposition, and all hon. members opposite, that they will have the fullest and freest opportunity to discuss this legislation because we believe in it. We believe it to be sound. We know it to be for the advantage of the people of Canada and we shall be interested indeed to listen to and to have the opportunity of meeting and of refuting the points and arguments to be advanced against it. I can only say that if the arguments advanced against it are the same as those advanced in

some of the press of this country supporting my hon. friend's party they will not be very difficult to refute.

Now if I may be permitted a short departure from the spirit of non-controversial discussion and coming back to the bill itself, I can assure the house that a great deal of study has gone into the provisions which we have introduced. We believe that they represent a substantial improvement over the law as it exists at the present time, but we recognize that neither the members of the government—certainly I speak for myself anyway; perhaps I should not speak for my colleagues in this way—nor the members of any department are the sole repositories of all wisdom or all knowledge and ideas in the field of anti-combines legislation. We recognize also that there is a very great deal of interest and naturally a very real concern on the part of practically every segment of our community, of our society and of our economy in connection with provisions of this nature, and that there is a very real and understandable desire to make representations about them publicly and to have the opportunity of discussing them in public with members of this house.

It is, therefore, our intention, as soon as the house may have given second reading to the bill to refer it to a committee—we think the appropriate committee would be the committee on banking and commerce—for study by that committee in order that members of parliament may have an opportunity, in the atmosphere which committee study makes possible, to consider the provisions of the bill and in order that individuals and organizations may have the opportunity to make representations and to discuss it there with the members of this house who will be called upon eventually to enact the provisions. We are prepared, in other words, to submit the details of our proposals to the detailed discussion and detailed judgment of parliament itself.

While we believe that our proposals, within the framework of the present principles, are as adequate and as far-reaching as at the moment we should submit to the house, nevertheless I can assure the house that our attitude is not rigid. If, after listening to the representations that may be made before the committee and discussing those representations with those who may appear there, the committee feels that improvements in detail can be made they will find the government by no means inflexible in its attitude toward the suggestions, the desires and the expressions of opinion of the committee.

But subject only, as I say, to this readiness to submit it to a committee and to maintain a flexible and reasonable attitude with regard to suggestions for improvement which may be made, I conclude by saying that our amendments to the Combines Investigation Act will increase the flexibility, the efficiency and the enforceability of anti-combines legislation in Canada. We believe that they bring the law up to date in a realistic manner and make it possible for industry to operate in ways which will be beneficial to the public while at the same time restraining those operations which are harmful to the public interest, that they provide protection to the legitimate interests of small business and in every way produce, within the limitations of the present principles, a beneficial and far-reaching improvement in the legislation in the general interests of this nation.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am sure all hon. members of the house will have listened with great interest to the minister's statement about the amendments to this legislation. The minister will not be surprised when I tell him that we on this side have listened with more interest than agreement.

I participate in this debate, Mr. Speaker, branded by the minister. His brand, as it applies to me, means that my remarks will have to take a little longer than they otherwise would because it will take a little time, although it will not require much effort, to remove the particular brand which he saw fit to apply to me in closing the remarks of what he said was a very non-controversial and non-political speech.

Perhaps, Mr. Speaker, in the circumstances it may be necessary later on to discuss some of his own statements beginning in September, 1958 and continuing through 1959 in support of legislation which he introduced into this house and then was forced to withdraw because it was premature and ill conceived. In the face of that record, Mr. Speaker, in the face of that legislation, in the face of the minister's statements about that legislation, to complain that we on this side said we would oppose such legislation if it were introduced again and that we would oppose the attitude of the government toward this legislation as already proposed, shows that the minister is a very sensitive person indeed.

The bill before us, as the minister pointed out, does not introduce new legislation. It is an amendment to existing legislation rather than a revision, as he pointed out, of the legislation which is now in effect. But it is a very important and very far-reaching amendment of most important legislation. While we on this side have no desire to prolong the debate unduly because, as the minister indicated, the bill if it gets second reading will go to a committee, nevertheless

in view of the importance of the legislation and the importance of the amendments in the bill they will have to be examined with all the care which that importance warrants.

I am going to begin, Mr. Speaker, at what normally would be the end of my speech and put on the record at once a summary of the position that we will adopt in respect of these amendments and a summary of the position of the Liberal party with respect to monopolistic situations and restrictive trade practices which are covered by the amendments. Having summarized our position in this way, I will then proceed to try to substantiate in detail some of the objections to the legislation which will be mentioned in the summary.

We on this side believe that in the circumstances Canada faces today and has faced now for a good many years, a mixed economic system is the most appropriate form of economic organization for the development of our country; a mixed economic system composed of a public sector, a co-operative sector and a private enterprise sector. We also believe that the private enterprise sector should be as large but only as large as compatible with the public interest and that it should be governed by the competitive rule applied in free markets, having regard, however, as the minister mentioned during his speech, to the changing nature of economic circumstances and the changing nature of economic development.

In that sense we believe that the present Combines Investigation Act with certain administrative amendments—I am going to mention one or two which I think should be made—is adequate to achieve these objectives, particularly the last objective I have mentioned.

Under our present set-up—these are some of the changes which I think might be made in the principle of this legislation—the director of investigation and research has wide powers of investigation. This is as it should be although I say now, as I have said before outside the house, that all possible abuses of those powers should be avoided in order to ensure justice and fairness for all, including businesses, and so that the public respect for this legislation and its procedures will be strong. Moreover, concrete and empirical research on monopolistic situations and practices should in our view be greatly expanded and a special research division should be created under the authority of the director in the present legislation.

Finally, we think that the hearing before the restrictive trade practices commission and the report it publishes in each case should not be a mere preliminary step to a criminal prosecution. As the present act says, that report should "appraise the effect on the public interest of arrangements and practices disclosed in the evidence" and should contain recommendations in each case as to remedies other than criminal prosecution and specifically designed to correct a given undesirable situation.

Those three suggestions would in our view represent major improvements in the present legislation and would make Canadian combines policy more flexible and more effective. The minister had a good deal to say about flexibility. To be implemented these changes would not require any change in the present act at all.

While we suggest that some administrative changes can be made to make the present legislation more effective, we are strongly opposed to the bill now before us to amend the Combines Investigation Act. We believe, notwithstanding what the minister has said, that the bill will weaken the act, that it will facilitate undesirable private control over the economy and, in particular, that it will injure the interests of the consumers. I may be wrong but I do not recall the minister mentioning the consumers in his hour and a half speech.

Mr. Fulton: You did not listen very carefully then.

Mr. Pearson: If he did I accept his word. He did not dwell very much on the interests of the consumers.

Mr. Fulton: Again you did not listen very carefully.

Mr. Pearson: We will read the minister's speech tomorrow and we will see who was right. We have several minor objections to the bill which will be presented at a later stage of the discussion, but our main objection, and at the moment the only one I will deal with, is on three fundamental points of principle.

As the minister pointed out in some detail, the bill permits firms within an industry to pursue certain joint activities provided those joint activities, those combinations if you like, do not have the effect of lessening competition unduly in respect of prices, production, markets, distribution or the number of units within an industry. In order to decide whether or not those joint activities, those combined activities, are objectionable the courts will have to appraise their effects. There is no other way of doing it.

The courts have not been asked in the past to make such an appraisal and the courts themselves have contended that they were not equipped to make it. So, and surely this is an important point, the courts may well be put in a position where they will have to interpret this new provision in such a way as

to exempt, for all practical purposes, a great variety of joint activities from the operation of the act. I will come back to this in more detail later. If that is the case, parliament might as well exempt all combinations from the act. That is why we believe this particular new provision, whatever may have been its intention, does indeed have very dangerous implications.

Up to now when an offence has been committed under the act the only recognized procedure was criminal prosecution. If the accused were found guilty they were liable to a heavy fine or to imprisonment. This bill, as the minister pointed out, now provides for an alternative procedure whereby the minister on his own discretion can simply inform the courts that an offence has been committed and merely ask the courts to issue an order prohibiting the continuation of the offence. We on this side have grave doubts as to the constitutionality of that particular provision because it contemplates a civil remedy for what is a criminal offence. Moreover, it gives rise to the possibility of undesirable discrimination. For the same offence, and at the discretion of the minister, different persons will be liable to a heavy fine and imprisonment or subject merely to a court order prohibiting the continuation of the offence. Finally, this relatively mild procedure will remove the preventive value of present remedies and will create a great inducement, in our view, to form combinations and monopolies.

The practice of resale price maintenance will continue to be prohibited in theory. Perhaps in view of the attitude of the minister and some of his colleagues with regard to resale price maintenance in 1956 we have a right to be a little surprised that they left it in the act, but they have in theory. They have in this bill, notwithstanding what the minister said tonight, ensured that resale price maintenance can be reintroduced through the back door by a technique which will amount to a system of private law. As I shall try to point out in detail later, it imposes a kind of commercial feudalism. A manufacturer or supplier will be in a position to enforce at his own discretion, if this bill becomes law, a series of vague and arbitrary provisions affecting the retailer. He will be entitled to refuse to sell his products to a dealer on the basis of reports made to him by informers who will often, in the normal course of things, be competitors of that particular dealer.

Under such a system, therefore, the manufacturer cannot be an impartial, free judge. He will be exposed to constant pressures from retailers wishing to eliminate competitors and to prevent price cutting. Under the new provisions, if they become law, the manufacturer will be caught between the courts, if he tries to enforce a scheme of resale price maintenance, and retailers urging him to enforce such a scheme. He may certainly find it more difficult to carry on his own business under such conditions.

In so far as the retailer is concerned, he will not be free under this bill, if it becomes law, to conduct his own business as he wishes. He will always be liable to denunciation by a competitor and to arbitrary arrangements by a manufacturer. The grounds giving rise to such a denunciation and arrangements are numerous. They are vague, and they may well hurt the independent small retailer far more than the big chain stores. In any case, these new provisions will create a very unhealthy climate in the whole sector of the retail trade.

Finally, and most important, if these new provisions are implemented the main victim will be the man who so often has nobody to speak for him, the consumer. His choice will be restricted and the prices he will have to pay will be higher. The only way, under this provision, that the manufacturer can live in peace with retailers will be to determine a higher resale price for his products and include a reasonable mark-up. The only way that the retailer can live in peace with his competitors, and avoid getting into trouble, will be to maintain the resale prices determined by the manufacturer. If peace is maintained, therefore, among manufacturers and retailers it will only be at the expense of the consumer who will be the forgotten person in so far as this new deal is concerned.

If the government feels that some of the practices it is asking the manufacturer to prevent, asking the supplier to prevent, are really undesirable from the point of view of the public interest, then surely the only fair and honourable course of action to take is to make those practices illegal and let the courts decide when an offence has been committed. A system of private law, even if it is to be governed under the supervision of the courts, is not acceptable. What about the civil rights of the individual with respect to this particular provision?

Mr. Fulton: They are not affected under this law.

Mr. Pearson: The minister will have a hard time convincing us of that.

Mr. Fulton: That is obvious; you made up your mind before you even saw it.

Mr. Pearson: The Conservative party in 1919, and during the regime of the Right Hon.

R. B. Bennett, attempted to weaken our combines legislation, as I will point out later in detail. I shall try to correct some of the historical distortions of my hon. friend the minister.

Mr. Fulton: You do not like history lessons, do you?

Mr. Pearson: It will be easy to do that, and I propose to do it. The Conservative party is now trying to do the same thing again in respect of this law in a different way. Well, we on this side will fight as vigorously as possible to prevent this third attempt from succeeding because there have been two preceding ones. In so doing we will hope to safeguard competition as the governing rule of the free enterprise sector of the economy, to protect the necessary freedom of enterprise within our mixed economy and in the interest of the consumer. This bill does none of those things.

That, Mr. Speaker, is our position in principle in regard to this particular bill. It does, as the minister has said and as I have said myself a few moments ago, introduce some important amendments to one of our most important pieces of legislation in this country, the combines legislation, which has been in existence since 1910.

Mr. Fulton: Since 1889.

Mr. Pearson: We will come back to that.

Mr. Fulton: Remaking history.

Mr. Pearson: The first combines act was passed in 1910. That legislation imposed upon an important sector of our economy, namely the industrial sector—the importance of which the minister has stressed and which is, of course, obvious to us all—a specific structure and definite standards of behaviour. This bill, if it is passed, will change that structure and will weaken those standards. That is why, having stated our position on the general principle, it is important also to understand the history leading up to this legislation and the basic and historical differences between the two parties on this subject of combines legislation.

The minister talked about combines legislation going back to 1889 introduced by a Conservative government. It is certainly true that the provision in the Criminal Code dealing with combines was introduced by a Conservative government in 1889. It is also perfectly true that the Conservative party, in the years during which it was in office after that time, did nothing to make this provision of the Criminal Code effective. The minister knows that the enforcement of the Criminal Code is the responsibility of the provinces. There was no administrative machinery. There was no Combines Investigation Act setting up any machinery to make this provision effective.

The minister may also perhaps know—and his experts will tell him if he does not know—that the first prosecution under this piece of Conservative criminal legislation was in 1903 when a Liberal government was in power. During the years 1889 to 1903 there was not a single prosecution under a Conservative administration.

Mr. Fulton: Business was honest under a Conservative government.

Mr. Pearson: The minister perhaps also knows, because he is a student of history, about the experience of Canada from 1900 to 1910 in respect to mergers and the development of monopolies. He perhaps also knows that in 1910 a Liberal government took notice of this situation and passed—Right Hon. Mackenzie King was the minister who introduced the legislation—the first Combines Investigation Act in our history to make this provision of the Criminal Code effective. The minister may also know—if he does not know, he might look it up—that action was taken after 1910 under that act until 1919 when the Conservative party was in power again. They then destroyed the Combines Investigation Act or introduced legislation of their own which had that effect but which was later declared unconstitutional.

In the course of time—and it was not very long because there is never a very long gap in these matters—in 1923 the Liberals were in power again and a new Combines Investigation Act was passed by a Liberal government, the earlier one having been destroyed by a Conservative government. That act of 1923 is essentially the legislation we have on the statute books today. That law, in contrast to the Conservative law from 1889 to 1903 in the Criminal Code—I refer to the law of 1923—was effectively enforced until 1930. There were several investigations and prosecutions under that law and a vigorous anti-monopoly policy was enforced by the government of that particular day.

Then we came to 1930 when we had another Conservative government which in effect suspended once more the operation of that act. In 1935, as a result of a royal commission of which I have some memory because I was the secretary of that particular royal commission, the Conservative government of Mr. Bennett introduced the Dominion Trade and Industry Act which provided for the acceptance of almost any kind of combine, monopoly and restrictive trade

practice if the commission set up by this act so recommended on the ground that it would prevent wasteful competition, would not unduly restrain trade or operate against public interest. The recommendations of this commission were to be approved by the governor in council and it thus brought the operations of this commission under the authority of the government. Therefore under this act, instead of competition, the government through order in council would be in a position to regulate the activities of the private sector of our economy. Not only did this change have dangerous implications for the economy and not only was it prejudicial I believe to the public interest, but it was also found by the courts to be unconstitutional.

So in 1936, with a Liberal government again in power, we had to start all over again and restore the act of 1923 with some improvements. What happened then? This history, Mr. Speaker, is very interesting, especially in the light of the version we were given by the minister. What happened to this legislation of 1936? In contrast to the situation we have in parliament today, and though this legislation was passed by the House of Commons it was thrown out by a Tory majority in the Senate. Mr. King, then prime minister, introduced it again in 1937 and it was allowed to go through. On the second occasion time it was allowed to go through a Conservative Senate. In 1946 the act was modified, as we know. In 1951 some important administrative changes were made and there was the prohibition of resale price maintenance against which my hon. friends opposite fought day in and day out and which they swore they would remove from the statute books if they ever had the chance to do so. However, it is still there in spite of these amendments.

In 1952 there was a further amendment which changed the administrative set-up of the act and I believe established the restrictive trade practices commission. That is the history behind this legislation. That is the position taken by the Conservative party over the years with regard to combines legislation. In the face of that record the minister has told us this evening that his party from 1889 had always stood behind the combines legislation and against monopolies and mergers.

Mr. Fulton: Quite right. We introduced it.

BUSINESS OF THE HOUSE

Mr. Chevrier: I take it that tomorrow we will go on with this legislation.

Mr. Churchill: Continuation of this debate tomorrow, Mr. Speaker.

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:

WHARF CONTRACTS, HALIFAX COUNTY, N.S.

Question No. 373—**Mr. McWilliam:**

1. Were any contracts awarded for construction or repairs to wharves in Halifax county, Nova Scotia, during the years 1958 and 1959?
2. If so, (a) what contracts; (b) in what locations, and the amount of each contract?
3. In what fiscal years were the moneys voted for these projects?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. Yes.

2 and 3. See attached list.

See table on page 4358.

C.M.H.C. FORECLOSURES, BRITISH COLUMBIA

Question No. 392—**Mr. Garland:**

1. Have any foreclosures been instituted by Central Mortgage and Housing Corporation in the province of British Columbia since November, 1959?
2. If so, how many?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. Yes.

Questions

2. For the period November 1, 1959 to May 23, 1960:

3 mortgage foreclosure actions.

3 agreement for sale forfeiture actions.

ARMS SHIPMENTS TO SOUTH AFRICA

Question No. 398—**Mr. Chevrier:**

1. Within the last three years have any shipments of arms been made to South Africa?
2. If so, what types of arms, in what quantity, and when was the last such shipment made?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Yes.

2. Shipments of arms were limited to aircraft parts and tank spares to the following value:

1957 Aircraft spare parts—Value $115,-695.00.

1957 Tank spare parts—Value $187,444.26.

1958 Aircraft spare parts—Value $145,-533.70.

1958 Tank spare parts—Value $8,374.50.

1959 Aircraft spare parts—Value $87,694.53.

1959 Tank spare parts—Value $122,027.35.

1960 Aircraft spare parts—Value $162,-002.85.

1960 Tank spare parts—Value $123,785.39.

Last reported shipment was tank spares, on May 16, 1960 with a value of $5,957.

Location	Work and Contractor	Date Contract Awarded	Amount 1957–1958	Amount 1958–1959	Fiscal Year Funds Provided
			$	$	
Carter's Point	Breakwater-wharf Mosher and Rawding Ltd.	June, 1958	—	35,049.42	1958–59
Cooper's Point	Breakwater repairs and improvements Campbell & McIsaac	June, 1958	—	31,069.00	1958–59
Eastern Passage	Levelling breakwater Continental Construction Co. Ltd.	November, 1958	—	10,147.33	1958–59
Ecum Secum West	Breakwater reconstruction F. W. Digdon & Sons Ltd.	July, 1958	—	30,107.00	1958–59
Factory Cove	Construction of wharf Campbell & McIsaac	September, 1958	—	6,553.47 (Completed 1959–60)	1958–59
Halifax	Construction of parking area (Repairs to Queen's wharf north and south) Campbell & McIsaac	April, 1959	—	669.60 (Completed 1959–60)	1958–59
Harrigan (McDonald's Cove)	Construction of breakwater Campbell & McIsaac	December, 1958	—	6,553.47	1958–59
Indian Harbour	Wharf improvements and repairs (Local agreement)		4,793.64	—	1957–58
Head of Ship Harbour	Demolition of wharf Naugle's Sand and Gravel Co. Ltd.	September, 1958	—	2,346.00 (Completed 1959–60)	1958–59
Herring Cove	Repairs and re-decking wharf, etc. (Local agreement)			2,338.84	1958–59
Mauger Beach (McNab's Island)	Breakwater repairs Cameron Contracting Ltd.	May, 1957	276,652.50	—	1957–58
Owl's Head	Wharf improvements and repairs (Local agreement)		1,059.41	—	1957–58
Port Dufferin West	Removal of wharf Naugle's Sand and Gravel Co. Ltd.	November, 1958	—	1,630.00	1958–59
Sambro	Wharf extension Mosher and Rawding Ltd.	March, 1957	21,078.11	—	1957–58
Sambro	Wharf repairs L. G. & M. H. Smith	July, 1958	—	11,954.25	1958–59
Sober Island	Wharf repairs (Local agreement)			2,028.47	1958–59
Three Fathom Harbour	Construction of wharf Naugle's Sand and Gravel Co. Ltd.	October, 1957	10,955.03	—	1957–58
Turner's Island	Wharf improvements and repairs (Local agreement)		1,063.73	—	1957–58

HOUSE OF COMMONS

Tuesday, May 31, 1960

The house met at 2.30 p.m.

CIVIL DEFENCE

STATEMENT RESPECTING EMERGENCY MEASURES ORGANIZATION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I should like to make a statement in connection with the emergency measures organization. Hon. members will recall that some months ago the government adopted the policy of arranging for regional, federal administration in Canada should a major war occur, to work in co-operation with provincial governments and tie in with the regional army commands.

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.

Continuity of government is essential to our survival as a nation, and the need of guidance and control by civilian authority will be more than ever vital to our people should Canada find itself in war. Moreover, the army has responsibility for emergency communications, for the attack warning system, for prediction of fall-out patterns, and for a number of other important survival services. These responsibilities make it necessary to have a centre in each province where, given reasonable protection against fall-out, the army can meet its military commitments and carry out the survival and support functions it has been assigned.

The government, in assessing physical requirements for meeting the federal civilian responsibilities and for those falling on the army, believes that they should be met from the same emergency centre in each province, recognizing as it does the very important role of the provinces in respect of the more localized wartime responsibilities falling on them. While the regional governmental centres will be provided and administered by federal authorities, the plan is to make suitable provision for a nucleus of the provincial government and officials in each regional centre. In this way the province concerned would use the facilities there to aid in meeting its own wartime role, and would work in close association with federal authorities in so doing.

Regional centres will be established speedily in each of the provinces. There will be some variation in their size and character, depending on a number of factors including the size of the population to be served, the likelihood of the provincial capital coming under direct attack, and particularly the emergency communications system and its technical requirements. The centres will be limited in size but will be sufficient to ensure the required operational capability.

In some provinces construction will be necessary, while in others modification of existing buildings may suffice to meet the requirement. The principal need is adequate protection against radioactive fall-out, the same peril against which the government is encouraging householders to protect themselves by means of suitable basement shelters. Immediate action is being taken to provide the required structures, and details regarding provincial participation in their use will be the subject of discussion with provincial authorities forthwith.

In making this announcement at the present time, Mr. Speaker, I underline and emphasize what I said on an earlier occasion when this plan had its inception, namely that I do not want anyone to interpret the announcement at this time as indicative of any change in the peaceful relationship of our country with other countries.

EXTERNAL AFFAIRS

CHILE—ANNOUNCEMENT OF FURTHER ASSISTANCE TO EARTHQUAKE VICTIMS

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, yesterday I outlined to the house the assistance that had been given by Canada to Chile. Since then we have received a request from the Chilean government through the Canadian embassy in Santiago that the two R.C.A.F. North Stars which were due to reach there this morning should be used for airlifting supplies from Santiago to the stricken area in the south of Chile, as larger planes cannot land in the latter area. The government through the Department of National Defence has arranged for this to be done. In addition the R.C.A.F. will be flying to Chile at once a second mobile

field hospital as well as drugs and other medical supplies. I believe there will be three further R.C.A.F. North Stars used for this purpose.

I am also glad to be able to announce that the government has decided to make a gift of $1 million worth of flour to the Chilean government for use in feeding disaster victims. Arrangements are now being made by the departments concerned to have this flour shipped to Chile just as quickly as possible.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am sure all members of the house will have welcomed the announcement by the minister that it is going to be possible to do more for our friends in Chile than was originally announced. This has been a terrible disaster, as the minister knows better than any of us, having just been there, and anything the government can do to help our friends at this time will certainly be warmly supported by us.

COMPANIES ACT

INQUIRY AS TO PROPOSED UNIFORM LEGISLATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Acting Secretary of State. It arises from a speech given by the Ontario deputy provincial secretary indicating that there will be a new companies act that will be uniform across the country with federal legislation, and setting out some of the points in the act. Can the Acting Secretary of State tell us whether it is indeed true that the proposals for revision have been completed and are now in everyone's hands; and can he indicate whether the general public and the house will have these proposed changes made available to them?

Hon. Leon Balcer (Acting Secretary of State): Mr. Speaker, I have not read the press report to which the hon. member has referred, but I will read it and give an answer tomorrow.

TRANSPORT

GREAT SLAVE LAKE—COMMISSION REPORT ON PROPOSED RAILWAY

On the orders of the day:

Mr. W. C. Henderson (Cariboo): I should like to direct a question to the Prime Minister. Can the Prime Minister say whether the government expects to receive the report of the royal commission inquiring into the route of the proposed railway to Great Slave lake in time to permit a decision to be made and the project commenced this year?

Right Hon. J. G. Diefenbaker (Prime Minister): I understand the report is nearing completion, but at this time I cannot hazard a guess as to when it will be produced. I can assure the hon. member for Cariboo that as soon as it is received the government, of course, will give immediate consideration to that report.

(Translation):

CANADIAN BROADCASTING CORPORATION

PROGRAM "PREMIER PLAN"—INQUIRY AS TO COMMENTS ON SUMMIT CONFERENCE

On the orders of the day:

Mr. J. N. Tremblay (Roberval): I should like to direct a question to the Minister of National Revenue or, in his absence, to his parliamentary secretary.

Could the minister obtain the following information from responsible C.B.C. officials.

Has the C.B.C. authorized Mr. Gérard Pelletier, of Montreal, to interview, on the program "Premier Plan" presented on the French T.V. network last Sunday evening, May 29, at 10.30 p.m., certain experts who took the opportunity, in commenting on the collapse of the recent summit conference, to praise the socialist doctrine and system?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, since the hon. member for Roberval sent me notice of his question, I inquired from responsible C.B.C. officials, but I have not yet obtained an answer. I shall answer this question later.

STATEMENT ON REPORTED INTENTION TO SEND PRODUCTION TEAM TO EUROPE

On the orders of the day:

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): While I am at it, would the house allow me to answer certain questions which have been put to me regarding the C.B.C.? First, here is the answer to the question asked last Wednesday, May 25, by the hon. member for Montmagny-L'Islet about the program "Chez Miville":

I am informed by the C.B.C. that the program "Chez Miville" is entirely sponsored. All travelling and other expenses are recoverable and the C.B.C. expects that this series will be profitable.

STATEMENT ON CANCELLATION OF FRENCH TELEVISION PROGRAM

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Then, the hon. member for Roberval inquired on Wednesday, May 25, about a special awards program for performers. Here is the answer to this question:

I am advised by the C.B.C. that the decision to broadcast a special awards program on May 23 was taken because of viewer interest in this type of program, this being the main consideration when the C.B.C. has to decide whether various events should be carried on T.V. or not.

STATEMENT RESPECTING NEWS COMMENTARIES ON UNITED NATIONS MEETING

On the orders of the day:

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, on May 24 the hon. member for Roberval asked a question concerning Jean-Louis Gagnon of Montreal's *La Presse*. Here is the answer to that question.

Being a public service, the Canadian Broadcasting Corporation televised during a live program on the United Nations' network a simultaneous translation of Mr. Gromyko's speech, in English for its English network and in French for its French network. It also carried a live broadcast, on the English network, of Mr. Henry Cabot Lodge's speech, while a simultaneous translation of the same speech was carried on the French network. Following Mr. Gromyko's speech and Mr. Lodge's reply, panel discussions were televised over the French network to analyse the statements made by each speaker. The panels included:

Panel No. 1: Moderator, Mr. Paul Lacoste; members: Messrs. Jean-Louis Gagnon, Naim Kattan and Andre Laurendeau.

Panel No. 2: Moderator: Mr. Jean-Luc Pepin; members: Messrs. Louis Beaudoin and Nicolas Mateesco, both of them professors at McGill University, in Montreal.

Other comments were made by Reverend Father Richard Ares, s.j. and Mr. Paul Sauriol.

Both panels had been asked to analyse and comment on the two speeches from various standpoints in order to cover every aspect of the matter. Panel members were absolutely free to express their own personal views.

In reply to the supplementary question, let me add that such discussions are chaired by a moderator and aimed at bringing out as many of the facts and opinions as possible for viewers' information. The views expressed are strictly those of the panel members.

STATEMENT ON PROGRAM "RENDEZ-VOUS AVEC MICHELLE"

On the orders of the day:

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): With your permission, Mr. Speaker, I should like to answer a question asked by the hon. member for Roberval on May 26 concerning the program "Rendez-vous avec Michelle".

I am advised by the C.B.C. that on programs of that series, a good many well known personalities are interviewed and that no preferential treatment is granted Mr. Pierre Tisseyre. I understand that on many occasions representatives of other publishing firms were interviewed in that same series.

Mr. Tremblay: Mr. Speaker, may I direct a supplementary question to the parliamentary secretary?

Could he inquire from the C.B.C. as to which publishing firms received preferential treatment from the corporation in the series "Rendez-vous avec Michelle"?

Mr. Lambert: I shall be pleased to do so, Mr. Speaker.

(Text):

Mr. Speaker: While I do not want to discourage the hon. member's interest in radio programs I suggest that if he has a number of inquiries of this kind he might consider putting them on the order paper.

COAL

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): I should like to ask the Minister of Mines and Technical Surveys when the government expects to receive the report of the royal commission on coal.

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Probably in the late summer, Mr. Speaker.

Mr. Kindt: I have a supplementary question. Is there any truth in the rumour that three mines in Nova Scotia are likely to be closed prior to the production of the report?

Mr. Comtois: No, Mr. Speaker.

Inquiries of the Ministry

TRADE

CHINA—INQUIRY AS TO FORECAST OF INCREASE

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Trade and Commerce. The question is based upon a news report originating in Shanghai to the effect that the Canadian trade commissioner in Hong Kong, Mr. Forsyth-Smith, said there will be a considerable increase this year in trade between China and Canada. Can the minister—perhaps not now, because no notice was given of the question, but on a subsequent day—give an indication to the house of the type and volume of goods that will be involved in this considerable increase in trade?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I saw the article to which the hon. member refers. Our trade with China has not been very great over the years, but it has been running in the neighbourhood of $2 million. It was $1.7 million for the calendar year 1959. The article predicts a substantial increase in Canada's trade with China. Although there are possibilities there, we shall have to wait and see what transpires. Some Canadian goods perhaps reach China indirectly rather than directly. Our trade commissioner, Mr. Forsyth-Smith, has been closely in touch with the situation. He sends back information to Canadian businessmen with regard to the possibilities for trade with China. Over the years that trade may increase. From his reports I judge that he does not see a spectacular increase in that trade at the present time but there are possibilities; and if they are investigated by Canadian businessmen, so much the better for Canada's export trade.

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the minister a supplementary question. Are the trade returns with regard to continental China kept separately from those respecting Formosa?

Mr. Churchill: Yes, my information is that they are separate.

THE CENSUS

INQUIRY AS TO EARLY AVAILABILITY OF POPULATION STATISTICS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I have a question for the Minister of Trade and Commerce, arising from the fact that the census starts tomorrow. Can the minister indicate whether the dominion bureau of statistics, with its more up to date equipment, will be able to give the House of Commons the necessary population statistics for redistribution purposes any earlier than the March after the official census year?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the hon. member's question is based on a fallacy. The census does not start tomorrow; next year will be the census.

Mr. Fisher: A supplementary question. The information I have is from a news release from the dominion bureau of statistics which states that the official preparations for the census start tomorrow.

Mr. Churchill: The preparations for the census have been going on for many months, Mr. Speaker.

Mr. Fisher: A supplementary question. This does not invalidate the question. Will the dominion bureau of statistics be able to give the house these statistics any earlier than after the previous census?

Mr. Speaker: I am not sure of the urgency of this question. If the hon. member would ask it at this time one year hence there would still be a question whether it was urgent.

Mr. Fisher: Redistribution is always urgent.

RESEARCH

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. J. W. Murphy (Lambton West): Mr. Speaker, may I have the permission of the house to revert to the presentation of reports?

Mr. Speaker: Has the hon. member leave to revert to reports?

Some hon. Members: Agreed.

Mr. Murphy presented the first report of the special committee on research and moved that the report be concurred in.

Motion agreed to.

COMBINES INVESTIGATION ACT—CRIMINAL CODE

AMENDMENTS RESPECTING MERGERS, MONOPOLIES, ETC.

The house resumed, from Monday, May 30, consideration of the motion of Mr. Fulton for the second reading of Bill No. C-58, to amend the Combines Investigation Act and the Criminal Code.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, if I might be permitted on a question of privilege to make one change in

Hansard, it might make the text more intelligible. Page 4345 of *Hansard*, near the end of the second paragraph in the second column, reads:

—again emphasizing that there is no change in effect—making it clear that acts which are beneficial to the public, such as the pooling of resources for research and do not constitute a combine as defined can be carried on without danger of misconstruction or conviction.

That should be changed as follows: There should be a semicolon after the word "effect", the dash should be eliminated and the words "the provision" should be inserted before the word "making". It should thus read:

—again emphasizing that there is no change in effect; the provision making it clear that acts which are beneficial to the public—

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am glad to have that correction made by the minister in the record of what he said yesterday, but I am afraid it does not alter my feeling about this bill as being one that we on this side will not be able to support on second reading.

Last evening I was trying to correct the historical background to this bill as it was put forward by the minister. This afternoon I should like to begin my remarks by saying something about the events leading up to the bill itself. Those events represent another instance of fumbling and indecision on the part of the minister and the government.

For more than two years the minister has been talking about changes to the Combines Investigation Act. He discussed the principles involved in some detail in 1958. He discussed them again in January, 1959 in a speech he made in New York. But the bill which was to have dealt with this matter was not introduced into this house until June 11, 1959. We recall that it was introduced at that time without a preceding resolution, an omission which was surprising on the part of a minister who is such an expert on the rules; therefore a clause in the bill last year which provided for the appointment of ad hoc commissioners had to be deleted. On June 15, 1959, four days after the introduction of the bill, we had another speech on the question by the minister in Montreal, this time dealing with the matters which were contained in the bill. In a sense this was the minister's second reading speech on the amendments of last year, although the speech was made in Montreal. However, consideration of the bill in the house was delayed, because it became evident very quickly that the bill was ill conceived and highly objectionable and, as I think the minister himself admitted last night, some strong protests concerning it were received. Therefore some parts of the bill were, I think rightly, withdrawn on July 7 before any consideration could have been given to it, presumably because of the representations which were received.

At that time, however, the minister decided to proceed with the amendments to the resale price maintenance sections of the act; then later he decided to withdraw that part of the bill as well. Now, one year later, and four months after the beginning of this session, we have for consideration this other bill which in some of its provisions at least is new, and so we ask ourselves why this indecision, why this hesitation, why these changes and this chopping; and we will do our best to find out about that in committee.

The history of this matter, as I tried to point out last night, and the background to the introduction of this bill both reflect the fact that the positions of the two parties on this subject are basically different. The position of the Liberal party historically has been that competition should be maintained and enforced in the private sector of our economy. The position of the Conservative party over the years has been in favour of the regulation of competition even if this should mean certain combines, monopolies or restrictive practices, if they were found not to be against the public interest. In other words the Conservative party has not shown itself to be as keen about competition within the private sector of our economy as it has always shown itself to be keen about competition between public and private enterprise. The present bill, as I shall try to point out, reflects this attitude.

The fact is that our economy, as I also tried to point out last night in brief, whatever may have been the situation 100 years ago, has altered. Today it is quite unrealistic to describe the Canadian economy without qualification as a private enterprise economy. What we have is a mixed economy with public, co-operative and private enterprise sectors, and this is as it should be. For progress and for stability the government has had to accept increasing responsibilities in the public sector to fight unemployment, for instance, and inflation. Private or free enterprise alone could not possibly do this job. Moreover, there are certain undertakings and certain national activities which must be assigned to public initiative if we wish to ensure the greatest possible freedom and welfare for the individual.

However, the scope and nature of this kind of government intervention will vary in different countries, and it will vary at different stages of development in the same

country. Similarly the co-operative sector which is growing in importance in our country, and rightly so, has a great part to play in ensuring the prosperity and progress of the small producers and consumers.

Mr. Fulton: Mr. Speaker, may I ask a question there. I would be interested to know whether in his use of the word "co-operative", which he also used last night, the Leader of the Opposition refers to co-operative organizations in the generally accepted sense or whether, as might have been suggested, he means an area of co-operation between public enterprise and private enterprise?

Mr. Pearson: While of course, Mr. Speaker, there should be co-operation between public and private enterprise in their respective sectors of the economy, I was using the word "co-operative" in the sense the minister mentioned, as referring to co-operative undertakings within our economy.

We accept, as Liberals, that these two divisions exist, but as Liberals we also believe there is a large and important sector of the economy which should be left to private enterprise for exactly the same reasons I have mentioned in connection with the other two, the progress, prosperity and freedom of the individual. All these considerations require what I have called a mixed economy, each sector serving the public interest in its own way and according to rules laid down. In considering this bill we are particularly considering the rules that should be laid down.

That is our view, and it opposes the traditional Conservative insistence on extreme private enterprise and the socialist insistence on extreme public enterprise. These differences are bound to lead to different approaches as between the parties to the problem of monopoly. We believe, for instance, that if the private sector of the economy is to best serve the public interest it should be subject to the maximum possible extent to the competitive rule. Private controls within that sector will certainly be inadequate. Public regulation of private initiative is a poor substitute for competition as a preventive of monopoly, and it tends at times to serve the private rather than the public interest. In our view—and I think history supports that view—the traditional attitude of the Conservative party has been otherwise. In the past they have encouraged the development of private controls and privileges and weakened the competitive rule in many fields of economic activity.

I believe, Mr. Speaker, that attitude continues to be shown in some sections of this bill, which we oppose. As I ventured to point out very briefly last night, without changing the legislation that we have now in any respect, by administrative action it could be improved in three ways. Perhaps I might go into those possible changes in more detail this afternoon. First—and this is one I mentioned last night—the powers of investigation of the director, which are wide and rightly so, should obviously not be abused and should obviously be used with discretion. They should always be carried out on the presumption that anyone, a corporation or an individual, is innocent until he or it is proven guilty.

I recognize that last night the minister complained that I had charged that there have been complaints on this score. I feel, and I am quite willing to repeat my feeling in the house, that the attitude and conduct of investigation by the investigators should be scrupulously fair to those investigated, with strict administrative directives to ensure against any possible abuse of power; otherwise, as I already said, public confidence in the act will be weakened.

Second, Mr. Speaker, the MacQuarrie committee, which has been mentioned already more than once, recommended that the commission in its hearings and reports should not always make those reports preliminary to criminal prosecution, because the present law does say that such a report shall "appraise the effect on the public interest of arrangements and practices disclosed in the evidence and contain recommendations as to the application of remedies provided in this act" and then it adds these three words "or other remedies"; other remedies such as the use of tariffs or the use of patent legislation.

Convictions and penalties are not always the best or the only remedies to correct an undesirable monopolistic situation or practice. I take it that when the trade practices commission was set up it was expected to recommend such other remedies as it could find to correct undesirable practices, and it has not done so.

Mr. Fulton: Oh, it has.

Mr. Pearson: Well, if I am wrong the minister will be able to correct me. It is my information that the reports are at least normally—and almost without exception—preliminary to prosecution under that section of the act.

Mr. Fulton: There have been cases, though.

Mr. Pearson: Well, I stand corrected if there have been cases. Perhaps I am correct when I say that normally the investigation is preliminary to prosecution.

Mr. Fulton: That would be not quite right.

Mr. Pearson: I am not being critical of the commission for that, because during the three years of the activity of the commission on restrictive trade practices, under the present government, there have been only two members on the commission; the third member, I think, was appointed only recently. Before that time this commission, which was not appointed very many years ago, felt it had quite enough to do—and indeed it had more than enough to do, as I perhaps will be able to point out when I come to another change that may be suggested; yet I express the hope that in the future it will be able to use more than it has in the past this provision for other remedies, to quote the act.

Then a third change which I hope can be made, and which does not require any alteration of the present legislation, is to strengthen and intensify the work of the commission in research in the field of monopolistic situations. The minister will remember, of course, that the MacQuarrie committee put great emphasis on research of this kind, and it had a good deal to say in its report about the importance of these matters of research.

Section 42 of the act, as amended in 1952, implemented the recommendations of the MacQuarrie committee in this regard and gave wide powers of research to the director. That will be found on pages 55 and 56 of the report. But these powers have not been exercised to any significant extent; and if that is the case again I say, Mr. Speaker, it is not the director's fault, because his staff is small and more skilled research personnel are needed for this work of investigation, which seems to me of such great importance to the effective operation of this office. The provision of that kind of help, of course, is the responsibility of the government. If a greater effort could be made in this field and provision for this effort made we would surely have a far better knowledge and a far greater understanding of monopoly problems than we have now; what steps should be taken to correct them, and what changes are needed in the present legislation.

These are three changes that could be made in the present legislation without amending the act at all. However, we have before us a bill which does introduce amendments to the act. Dealing with the bill itself and the principles embodied in it, Mr. Speaker, I recall that the minister said last night—I may not be quoting him exactly, but I am sure this is the meaning of what he said—that this bill recognizes the inherent soundness of the principles of the present legislation. If that is true, then of course this bill in intention at least does not change those principles; but as we read it, as we understand the amendments, they will certainly weaken the principle which is inherent in the present legislation. We cannot see in this bill, whatever its purpose may be, any result which would protect either small business or the consumer. We think the effect of this bill will be to weaken competition, to give more rather than less protection to combines, and to reintroduce undesirable monopolistic practices.

Having said that, Mr. Speaker, I shall try to produce evidence to support the contention. The minister pointed out last night that there are two main parts to the bill. There is the part dealing with monopolistic situations, and there is the part dealing with trade practices. As he did, I should like to deal with these in turn.

The part dealing with monopolistic situations can be divided into changes recommended regarding definitions, changes in regard to litigation procedure and remedies, and new remedies to be applied. Let us look at the changes in definition first. The definition of monopoly in the amendment is substantially the same as it was, and the test remains operation to the detriment or against the interest of the public. In the case of mergers this test is restricted by the qualification that competition must be lessened. While the detrimental aspects of most mergers are to be found in the lessening of competition, there are others which might involve broader considerations of public interest; and since mergers often give rise to monopolies it seems to us that the same tests and the same definition should be applied to both as is the case under the present law.

There are also some changes proposed in the definition of a combine or conspiracy, and these are important. With two modifications, one of which may be a little more important than it may seem on the surface, the bill incorporates section 411 of the Criminal Code, that section which defines conspiracy, as the minister pointed out. We on this side have no great objection to putting that section of the Criminal Code in the Combines Investigation Act. But what is more serious is a new and broad exemption under the bill. Under a provision of the bill a combine relating to certain matters —the minister mentioned what they were last night—such as exchange of statistics, definition of product standards, research and one or two other things, may operate provided it has not lessened or is not likely to lessen competition unduly in respect of the five matters which we both mentioned last night; prices, quantity or quality of production, markets or customers, channels or methods

of distribution, and restriction from entering into or expanding in an industry. Therefore under this provision these practices on this condition—I add that—will be permitted. That is a substantial departure from the principles of traditional legislation in this field. If combinations are allowed for these purposes, would other agreements be necessary to eliminate competition with respect to prices or production or markets? There are a great many objective experts, students of this subject, who have studied these matters carefully and who think the answer to that question would be in the negative.

I realize, of course, that an agreement even on the matters enumerated will be illegal if the courts find that it has lessened or is likely to lessen competition unduly in respect of the matters I have mentioned. Nevertheless the minister will agree that this is an entirely new test for the courts. Proceedings before the courts in this field up to now have been relatively simple, though some people might not consider them absolutely simple. It has to be shown that an arrangement regarding prices or production does exist and that it involves substantial control over the market for the product concerned. That is all. Therefore the evidence is or needs to be largely limited to matters of fact, namely the existence of an agreement and the degree of control brought about by that agreement in the industry in question.

Under this amendment the task of the courts will be much more complicated. They will still have to make findings as to the existence of an agreement and the degree of control; but also, in relation to the matters and practices enumerated, the courts will now have to appraise the effects of such arrangements on prices, production, markets, distribution and the number of units in an industry and find, if they can, whether in these respects competition will be lessened unduly by any arrangement made.

How will the courts decide whether an arrangement about the exchange of statistics on costs and prices, an exchange of figures on costs and prices, will lessen competition unduly in respect of prices? Will it be on the basis of mere uniformity of prices? The minister knows that in economic theory prices are also uniform under conditions of perfect and free competition. Will the courts then have to appraise the levels of prices, which would bring them into very intricate economic theories of evaluation?

Surely it has always been the prevailing view that the courts of our land were not well equipped to appraise the effects and consequences of trade practices of this kind. Mr. Justice Hope, one of the men learned in the law of this country, in dealing with this matter once in a case had this to say:

> The courts should not be called upon to adjudicate between conflicting theories of political economy.

Under these amendments they may well be called upon to do just that. I know that certain business groups, as the minister pointed out last night, I think, have complained about the uncertainty and vagueness of the present legislation. It is our contention that these amendments will make that situation more uncertain and more vague. How can these amendments improve the situation? Certain business groups have also requested —I think the Canadian Manufacturers' Association might be mentioned in this regard— that certain joint activities or arrangements should be specifically legalized, and no doubt their briefs have had some effect on the minister. But how can this be done under amendments of this type without restricting the scope of the legislation as a whole? In any event, the bill provides only for conditional exemption, so that it even fails to meet the position that business groups have in mind because it does, as we see it, leave the position more uncertain and more vague, not more certain and more precise.

Under this bill even an arrangement for the exchange of official statistics could be brought under prosecution. Therefore while the bill is not going to help in this respect it does have some dangerous implications. As I have said, the courts will have to appraise the effects of a great variety of joint activities and consider in each case whether or not a specific detriment is involved. That is going to be very difficult for them. Either the courts will interpret this new provision, if it becomes law, so as to leave the existing jurisprudence unchanged, which would make the new provision useless, or they will interpret it as giving more leeway to business to engage in joint activities or combinations, which will greatly weaken our present legislation.

May I say a word, Mr. Speaker, about the second part of this section, concerning litigation procedure, and perhaps I can deal with remedies at the same time. Until 1952 the only litigation procedure for an offence was criminal procedure, criminal prosecution. It will be recalled that in its report the MacQuarrie committee expressed the view that it would be desirable if the courts had the statutory power to issue a judicial restraining order as a preventive procedure. But while they made that recommendation they apparently had some doubts about the constitutional validity of such a change, because at pages 40 and 41 of their report we find these words:

Already the courts have certain procedures of a preventive kind in the field of criminal law. Their power to bind over persons to keep the peace and to release persons upon the condition of future good behaviour approximate an injunctive process. There is as well, a growing body of doctrine that the courts have jurisdiction to issue orders preventing the commission of public wrongs... Constitutionally a strong case can be made that federal jurisdiction over criminal law includes steps essential to the prevention of crime and that the authorities should not have to stand idly by until wrong has been done if the situation lends itself to preventive measures.

They are not too sure about the constitutionality, but they think it is arguable. They did, then, make this recommendation, and as a result the legislation was amended by a new subsection which provided for a restraining order. I am now talking about the existing legislation and not about the bill before us. The provision for a restraining order was only where, and I quote, "a person is about to do or is likely to do any act constituting... an offence". This new remedy, therefore, was limited and was not an alternative but a supplement to criminal prosecution. Under the present legislation, if an offence had been committed criminal prosecution remained the only procedure under the act.

This has been changed in this bill. Under this bill in proceedings commenced by information of the attorney general, the use of restraining orders is extended to cases where an offence has already been committed, and in such cases the court will merely prohibit the continuation of the offence. Moreover, this bill also provides that the attorney general may at his discretion—I mentioned those words last night as important—institute proceedings either by way of information or by way of prosecution.

This, Mr. Speaker, is new and it is a dangerous provision because it provides not a mere supplement but an alternative to criminal prosecution. If this bill is approved the minister will be in a position, at his own discretion, to institute proceedings for the same kind of offence either by way of information or by way of prosecution. In the latter case persons involved will have to go through a criminal trial, and in the former case they will not. If the prosecution resulted in a conviction they would be liable to two years' imprisonment or a heavy fine; but if the minister proceeds by information, at the most they would get a warning not to offend again and undo, if possible, what had been done.

This extension of the use of the restraining order, therefore, as an alternative to prosecution is, I repeat, a dangerous innovation. First, it is of dubious constitutionality as a civil remedy while federal jurisdiction in the field is limited to criminal action. Second, it involves undesirable discrimination in that different persons are liable to different treatment for the same offence at the minister's discretion; let us not get away from that. Finally, the new procedure will remove some of the risk of criminal procedure and punishment and therefore induce the formation of combines or even mergers and monopolies. This will decrease the preventive value of the present legislation. Nothing the minister said last night on second reading has removed our anxiety about the effect of these provisions.

The final part of this act, on the principle of which I want to say something, deals with trade practices. In this regard the bill refers to discrimination, trade allowances, price misrepresentation, matters which we will be able to discuss in some detail later in this debate or perhaps in committee. I am going to restrict my remarks at this time to one matter dealt with under this section, the matter of resale price maintenance, as it is affected by this bill.

There is a great deal of literature on this subject, and I am sure the minister has read much of it. I know it is a difficult and complicated matter. I know there can be differences of opinion about it. But I know also that the MacQuarrie committee made an exhaustive examination of this whole question of resale price maintenance in 1951. The committee defined resale price maintenance—and I think it is an acceptable definition—at page 71 of their report as:

The practice designed to ensure that a particular article shall not be resold to retailers, wholesalers or other distributors at less than the price prescribed by the suppliers, that is, in most cases the manufacturers.

After the examination which they gave to this matter the committee came to the conclusion that resale price maintenance was not justified, either on the ground of economic efficiency or of maintaining a free, competitive economy; or, indeed, on the ground of protecting the small businessman.

Mr. Fulton: Would the hon. gentleman say again from what page he read that definition?

Mr. Pearson: Yes, it is the definition in the 1951 interim report of the MacQuarrie committee on resale price maintenance. It is on page 71 of that interim report, I think that is the correct reference. This committee viewed resale price maintenance, and I quote again from its report, as—

—a manifestation of a restrictive or monopolistic practice which does not promote the general welfare.

It also condemned these practices for other reasons. I am going to read some of the

reasons which were given in this report; because while the minister claims that resale price maintenance is not affected by these amendments, since it is retained in the legislation, it is our contention that because of the provisions in the legislation dealing with loss leaders it will now be greatly affected. These are the reasons given against it by the MacQuarrie committee:

1. The direct and immediate effect of resale price maintenance is the elimination of price competition among retailers in price-maintained goods; . . .

2. Resale price maintenance facilitates and makes more effective horizontal agreements (open or tacit) among manufacturers . . .

3. Resale price maintenance, to be effective, requires some method of enforcement. If a manufacturer merely indicates a resale price but makes no provision and takes no step to enforce it, then he has no real control over his distributors. However, when measures of enforcement are involved, resale price maintenance establishes a private system of law allowing no appeal to the courts of justice . . .

If these amendments are passed it is our contention that this would be done.

4. Although precise information is lacking, there is some evidence that resale price maintenance contributes to price stability but that the general level of prices thus stabilized is higher than it would be under competitive conditions and production more unstable.

These reasons are given on pages 67 and 68 of this interim report. Acting on these recommendations, Mr. Speaker, the previous government, at the end of 1951, introduced amendments to the Combines Investigation Act—after a great deal of care and consideration and after this exhaustive examination by an objective, impartial committee, not in haste and not without consideration—designed to implement the recommendations of this committee report and to prohibit resale price maintenance. After a long debate and very strong opposition led by the opposition party of that day, in which the present minister took a very leading part, the amendment was finally approved by parliament.

There were dire predictions at that time that at the first possible opportunity this amendment would be removed by a Conservative government when it came into office. Well, Mr. Speaker, it is our contention that this amendment we have before us, or a provision in it, does undo what was done in 1951 under the provision for dealing with loss leaders.

Now, this practice of loss leaders was dealt with in this report as well, and was also very thoroughly investigated by the director of investigation and research and by the restrictive trade practices commission.

It was investigated for over two years, in fact for nearly two and a half years. As a result of this investigation, which was thorough, capable and objective, in March, 1955 the commission issued a report which included a unanimous conclusion that no legislative steps should be taken against loss leaders. In brief the reasons given—and they will be found at pages 265 and 266 of the commission report of March, 1955 on this subject—were that the retailing difficulties which the commission realized existed at that time were not caused by this practice of loss leaders but by changes brought about by the action of normal competitive forces in our economy.

Here, Mr. Speaker, after an impartial and exhaustive inquiry, a commission recommended that no change should be made in the law, and after it heard individuals and groups who were interested in the question. I ask the minister these questions. Did he seek the advice of this commission before deciding to change the law? Was there an investigation before these amendments were decided on by the government? Was an investigation or inquiry made under section 42(1) of the present legislation? Did the director act on his own initiative in making any such investigation, or was he instructed by the minister to do so, or did the restrictive trade practices commission make such an investigation? Our answers to these questions on this side must presumably be no, because no report has been made as is required by the act. Therefore presumably no investigation was made. Therefore the minister failed to follow the proper procedure to investigate these practices mentioned in clause 14 of the bill before he introduced legislation to curb them.

The last inquiry or the last investigation that was made reported against such a change. Surely that makes the neglect of the minister to order such an inquiry the more reprehensible.

Mr. Fulton: Where does my friend find the requirement that the minister must order an inquiry before he introduces legislation? That is a novel view of ministerial responsibility.

Mr. Pearson: I ask the minister to read section 42, subsection 1 of the act under which an investigation or inquiry could have been made. But whatever the minister's obligation may have been, the fact remains that a long investigation was made by two agencies and that this investigation came to the conclusion that no change should be made in the act in respect of loss leaders. The minister is now recommending such a change. I ask him this question. Has he ascertained whether the commission which made the negative recommendation only a few years ago has changed its views since 1955, or is

he now merely acting against the recommendations of that commission?

Let us look at the nature and the implications of the provision dealing with this matter. The minister asserts that this will help small business. We assert that it will not do that, but that it will re-establish resale price maintenance by the back door; that in most cases it will result in higher prices to the consumer; that it will protect inefficiency in distribution, whether by big or small retailers; and that in those few cases—and there will be some—where resale price maintenance may be useful to small business, it would be at the expense of the consumer and not of the big retailer.

It was our contention also that higher and more uniform mark-ups, which would be necessary or which would take place if this provision became law, represent a hidden tax to the consumer, the amount of which, of course, it is not possible to measure with accuracy. Surely there are better ways than this in which to help small business.

As I said just a few moments ago, this bill does not change section 34 of the present act making resale price maintenance illegal. That, of course, is strange in view of the previous attitude of the government. However, it provides a defence against the offence which, in effect, will enable manufacturers to enforce their own resale price maintenance; because under a clause of this bill which embodies an extremely important principle indeed a supplier—and the minister pointed this out last night—will be entitled to refuse to sell—I quote from the act—if he satisfies the court that he and anyone upon whose report he depended had reasonable cause to believe and did believe that the dealer was doing certain things; and then the act goes on to enumerate them as follows:

That the dealer was making a practice of loss leader selling;

That the dealer was making a practice of using articles for the purpose of attracting customers to his store;

That the dealer was making a practice of engaging in misleading advertising;—

Mr. Fulton: Perhaps my hon. friend should finish reading subclause (b). It is extremely important:

—for the purpose of attracting customers to his store in the hope of selling them other articles;

Mr. Pearson: What I read was from clause 14 of the bill, which states that a supplier will be entitled to refuse to sell on certain conditions. If the minister wants me to read the rest of that clause I will do so.

Mr. Fulton: I think it is important.

Mr. Pearson: I shall be glad to read the whole clause. It is at page 8 of the bill, section 14:

14. Section 34 of the said act—

I am reading from the amendment now.

—is amended by adding thereto the following subsection:

Mr. Fulton: It was subclause (b) that my hon. friend did not read fully. I thought he should complete the reading of subclause (b).

Mr. Pearson: I will read this clause so there will be no misunderstanding. It reads as follows:

14. Section 34 of the said act is amended by adding thereto the following subsection:

"(5) Where, in a prosecution under this section, it is proved that the person charged refused or counselled the refusal to sell or supply an article to any other person, no inference unfavourable to the person charged shall be drawn from such evidence if he satisfies the court that he and anyone upon whose report he depended had reasonable cause to believe and did believe—

Then it quotes the six conditions I have mentioned, or at least I have mentioned three of them. I think perhaps I had better mention the other one, which is that the dealer was unfairly disparaging the value of the article. That is the final one; there are four. What kind of evidence will entitle the supplier to take action?

Mr. Fulton: There are five conditions, actually.

Mr. Pearson: All right; there are five.

Mr. Chevrier: I would ask the minister to let the Leader of the Opposition make his speech. The minister made his, and he was not interrupted.

Mr. Fulton: This is only in the interests of accuracy. If my hon. friends does not want accuracy, that is all right.

Mr. Chevrier: The minister was political and not accurate the other night.

Mr. Pearson: There are five conditions in the bill, two of which deal with exactly the same thing, as I have shown. If the minister wants me to read all five in all their detail I shall be glad to do so. However, I have given my four, one of which includes two in the bill. What kind of evidence will justify the supplier to take action under this clause? The supplier will be the judge; he will decide. In order to be entitled to refuse to sell he will not have to show that the retailer did in fact engage in the practices enumerated in the bill. He will only have to indicate that he and an informer—possibly a competitor of the so-called accused—had reasonable cause to believe and did believe that the retailer was following those practices.

Mr. Speaker, that surely is a travesty of justice, if you can use that word at all in relation to it. The informer, that is the man giving the information, who as I say might well be a competitor of the retailer, will need to have very little evidence indeed to have reasonable cause to believe that his competitor was following those practices which are so vaguely described in this bill. A manufacturer or supplier could be bombarded by a multitude of informers wishing to eliminate their competitors, and might find himself in a quite untenable position. Indeed, he would have to examine the representations received from any such informers and decide on the basis of the information he received whether he had reasonable cause to believe that the accused retailer did engage in those practices. He will not only have to make decisions on the basis of the reports received from the informers, but he will also have to be in a position to defend such decisions before the courts.

Mr. Speaker, we are therefore creating the fantastic situation where retailers could police and denounce each other, and where the manufacturer would find himself in the position of a judge between them.

Mr. Fulton: The hon. gentleman realizes, of course, that there is no obligation on the manufacturer to do that.

Mr. Pearson: Of course there is no obligation; let me make that clear. What I am suggesting is what might very well happen, if this bill becomes law, in manufacturing and in retailing. If it does happen, how can the manufacturer be considered an impartial judge? He will obviously be an interested party to the transaction, and he will not be forced under the law to take any action of any kind against any retailer. Therefore he may use the powers conferred upon him—and they are important powers—in a discriminatory fashion, or he may not use them at all. He may cut off supplies to Smith but permit Jones to conduct the very same practices. He is not obliged to do anything, which would make it much easier for him to discriminate. Surely this power is subversive of fair dealing and equal opportunity for all, and could be used as a weapon to control the distribution of a product in a wrong and discriminatory fashion. If it cannot be used for that purpose, I would be interested to hear the minister remove our doubts on that matter.

The supplier, then, will not be, and could not very well be on the face of it, an impartial and objective judge. He will also not be a free judge. Indeed, retailers will resent price cutting by a competitor more than the supplier himself might. They can exercise, either individually or through their trade association, very strong pressure on the supplier and threaten to refuse to handle his product if he does not take action against the price cutter. Such pressures and threats will be, of course, reasonable cause to believe that he is entitled to refuse to sell.

In addition, the accusations which the supplier—that is the judge—has to believe before being entitled to impose a penalty are at best expressed in very vague terms indeed. In so far as the meaning of some of those accusations can be ascertained, they refer to practices which can hardly be viewed as detrimental in themselves to the public interest.

Mr. Speaker, let us look at the four or five of them, whichever you wish. The first two are, if I may abbreviate the definitions, selling "for the purpose of advertising" and "of attracting customers".

Mr. Fulton: May I suggest again that the hon. gentleman complete that particular quotation, which is "in the hope of selling them other articles". I think it is important to have the whole definition.

Mr. Pearson: I would be happy to do that. The first one is this, subsection (a) of section 14:

> (a) that the other person was making a practice of using articles supplied by the person charged as loss leaders, that is to say, not for the purpose of making a profit thereon but for purposes of advertising;

The second one is:

> (b) that the other person was making a practice of using articles supplied by the person charged not for the purpose of selling such articles at a profit but for the purpose of attracting customers to his store in the hope of selling them other articles;

That, Mr. Speaker, is why I lumped these two together in effect as dealing with the same thing, and that is also why I made four out of the five provisions in the bill.

These first two practices which I have read in full are of course, substantially the same, so it is not clear, in my mind at least, why we should have two clauses at all.

The meaning of these clauses is quite clear. A seller may be exposed to retaliation by the supplier if he uses the article not for the purpose of making a profit thereon but for the purpose of advertising or of attracting customers to his store. Well, Mr. Speaker, surely the minister will admit that those expressions are very vague and susceptible of very different interpretations. A seller, for instance, may decide to reduce the price of an item below the prevailing level for the purpose of increasing his volume of business while still making a profit, a little less profit, per article. However, if he resorts to that device, under

this amendment he would be using the article for purposes of advertising or of attracting customers to his store and not for the purpose of making a profit, which in this particular case would be a secondary consideration. He would also be liable under the clause to have the supplier cut him off.

Now, on what basis will the supplier decide that the article was not sold for the purpose of making a profit and that such selling, not for the purpose of making a profit, had become a practice? It would be almost impossible for the supplier to make his decision on refusal to sell on a precise mark-up or cost, including the handling cost of the seller, because mark-ups and costs vary from one article to another and under reasonably free competition vary from one retailer to another. Very often the retailer himself does not even know what his cost of handling a particular article may be, because he is primarily interested in the profit of his business as a whole.

If the retailer does not know exactly his own cost and profit per unit, how can the manufacturer or supplier be expected to know whether or not the retailer is making a profit or is selling the article for the purpose of making a profit, indulging in that as a practice? How will the supplier know what purpose the retailer had in mind?

Mr. McGee: The supplier can read the invoice.

Mr. Pearson: Yes, of course he can read the invoice, but that will not help the manufacturer in the application of this particular provision.

One method available to the supplier would be to take the average mark-up shown by the studies of the dominion bureau of statistics for the whole trade in question. He could insist that if his product is sold in a particular store below that mark-up, then it is not being sold for the purpose of making a profit thereon. That would not be a very satisfactory method.

Another method would be to suggest an acceptable price to the retailer or to all retailers in that line after consultation with the appropriate trade association, and to decide that any price below the suggested level indicated that the article was not sold for the purpose of making a profit; and if he so decides he could cut the retailer off.

These two methods, or some modification of them, which are the only ones I can think of which could be used by the supplier in arriving at a decision to sell or not to sell, will enable the manufacturer himself to enforce indirectly but very effectively a scheme of resale price maintenance.

So we have resale price maintenance of this type enforced not by law but by the supplier. The very act which continues the prohibition in one of its clauses—resale price maintenance—by this particular amendment would be introducing or re-introducing that undesirable practice, as I have said, through the back door. Moreover, it will still be quite legitimate to spend millions on advertising "for the purpose of attracting customers" but a retailer will be liable to retaliation if he follows a continuing policy of "specials" to do the same thing. The big stores can, of course, spend millions in advertising but small stores cannot and price reductions are very often the only method available to them to compete with large scale advertising.

The fact is that this so-called ban on loss leaders, enforced not by the law but by the manufacturers, is not really going to hurt the chain stores, the big stores, or to help the small independent dealer. The chains and the big retailers have already shown in the experience of recent years that they are quite prepared to stick to resale prices on nationally known brands while cutting prices on their own widely known private brands, products it should be noted that are not available at all to the small retailer.

Then there is the provision, I think it is No. 3 in clause (c), which could be urged as a defence against prosecution under the resale price maintenance clause. According to the new provisions the supplier will also be able to refuse to sell if the retailer is persistently engaging in misleading advertising. I do not think anyone could take exception to that except that it puts powers in the hands of manufacturers to do something which should be and which indeed is illegal under the law and under this very act. I am therefore at a loss to understand why the minister should put it in this particular clause.

Then there is the failure to provide servicing which could be urged as a defence.

Mr. Fulton: Servicing at certain levels.

Mr. Pearson: Perhaps the minister would like me to read the provision. This provision could be urged as a defence by the supplier:

(d) that the other person made a practice of not providing the level of servicing that purchasers of such articles might reasonably expect from such other person;

This is a new arbitrary power conferred upon the manufacturers in this country. The manufacturer, not the court, will be called upon to appraise what the purchasers might reasonably expect from the retailers in terms of servicing and if that hypothetical but reasonable expectation is not met he will be justified in refusing to sell to them. If he is

accused of indulging in resale price maintenance he can urge this as a complete defence.

How can the manufacturer make an unbiased appraisal of consumers' expectations in regard to servicing? The minister must know—he is a consumer and perhaps a shopper too—that consumers' preferences vary in this matter perhaps more than in any other aspect of retailing. A great number of people prefer to buy a product at a lower price without any servicing attached to it. Others are willing to pay a higher price provided the cost of normal servicing during a given period is included in that price. We feel that the various preferences of consumers should be met on the market and that retailers should be free to meet those preferences according to the competitive rule and that no manufacturer should be able to urge as a defence against a breach of the law that some retailer was not giving adequate service as a practice to his customers.

Mr. Fulton: He could only urge it if the retailer held himself out as giving a service and did not.

Mr. Chevrier: Why not abide by the rules of the house?

Mr. Pearson: I have read that provision and although the meaning may not be clear the wording is very specific. I will now read the last chapter in this charter of commercial feudalism of 1960:

(e) that the other person was unfairly disparaging the value of articles supplied by the person charged, in relation to their price or otherwise.

In other words the supplier will be able to refuse to sell if the retailer is unfairly disparaging the value of articles sold to him. I wonder what is meant by that? What is meant by "unfairly disparaging the value of articles sold to him"? Of all the vague expressions in this bill, surely that is just about the vaguest.

Mr. Pickersgill: In other words, "Buy this thing; it's so lousy".

Mr. Pearson: It is claimed that consumers often judge the quality of a product by its price. A manufacturer, therefore, surely will have reasonable cause to believe that the value of his product is unfairly disparaged if it is sold by a retailer at a price below the prevailing price. The supplier will be entitled to refuse to sell if he believes that his product is not well located in the retailer's store or is not well presented by the dealer.

Mr. Fulton: He can do that now.

Mr. Pearson: Is the minister trying to tell me that under our present law if a product is not well shown in a retail store the manufacturer can cut the retailer off from that product under the law?

Mr. Fulton: Yes, certainly. There is no resale price maintenance there at all. That is not related to price.

Mr. Pearson: This is resale price maintenance—

Mr. Fulton: No.

Mr. Pearson: —by giving the manufacturer the right to cut the retailer off from his product if he has reasonable cause to believe that the value of his product is unfairly disparaged if it is sold by a retailer at a price below the prevailing price, or if the product is not shown or displayed as the manufacturer thinks he would like to see it displayed. He can urge this provision as a complete defence.

Mr. Fulton: As he can do now.

Mr. Pickersgill: If that is so, why is this provision necessary?

Mr. Pearson: If that is the case, why make the change?

Mr. Fulton: To make it clear. We have said that all along. Have you just discovered that? Have hon. gentlemen opposite just now found out what their own law means? No wonder they are surprised and amused.

Mr. Pearson: This is a new interpretation of the law. These particular clauses are for the purpose only of clarification according to the minister. If so, it is the vaguest kind of clarification that was ever introduced into any legislation. This gives the manufacturer wide discriminatory powers over the retailer's business. It can be expected perhaps that the powers will be exercised mainly against the small retailer and the dealers who are attempting to reduce the cost of distribution. Indeed, the lower the cost of handling a product the more likely will its value be disparaged, to use the language of the section. We contend, therefore, that this provision will endanger the independence of retailers, hit low-cost distributors more heavily than the others, and will certainly hurt the consumer.

Those are some of the reasons—and there are others which will be brought forward in the course of this debate—which I hope make it quite clear that we consider this bill retrogressive. We feel it will do harm rather than good to the small businessman and the small retailer and the consumer. Because of that we will certainly vote against second reading of the bill.

Mr. Fulton: Mr. Speaker, would the Leader of the Opposition permit one question before he leaves the subject of second reading. The

hon. gentleman said in the course of his remarks that surely there are better ways of helping small business than those represented by the amendments to section 34. I am sure it would be helpful if the hon. gentleman would indicate some of the ways of helping small business within the ambit of the combines legislation.

Mr. Pearson: Yes, I will be glad to send the proposals to the minister. It would take me a long time to repeat the proposals we have made in the last four years to help small business, especially on the financial side, on the loan side. Those proposals, which I will be glad to send to the minister's office, will be found by him to be very, very impressive, indeed, in comparison with the measures taken by the present government which, the minister said last night, are working quietly. Those measures involved the transformation of the office, which already existed in the Department of Trade and Commerce, into the same office with a different name, with an official in charge. I think he has a clerk and a stenographer. I think we can do better than that, Mr. Speaker, and I would be glad to send the minister a long list of proposals we have made in that regard.

Mr. Fulton: Perhaps my hon. friend would direct his remarks to this legislation.

Mr. Frank Howard (Skeena): Mr. Speaker, I suppose one should have a feeling of trepidation in following the Minister of Justice (Mr. Fulton) and the Leader of the Opposition (Mr. Pearson) in the intensive debate that each of them has entered into in respect of the bill. However, I do not approach it in that light, because I consider this to be not only the most important piece of legislation presented to us so far this session or, for that matter, which appears on the order paper which may be proceeded with later, but also the most important piece of legislation that we have seen introduced so far by this particular government in so far as its broad aspects are concerned and the impact it will have upon the economy and upon the consumer. Nevertheless, I expect I may run into the 40-minute time limit rule, as to deal adequately and fully with the incorrect interpretations, the illogical assumptions and the misinformed analogies given to us last evening by the Minister of Justice would certainly take more than 40 minutes. It would require more than that time to set the record straight and to clear up those particular interpretations and assumptions.

One thing that struck me right from the outset of the minister's remarks was his reference to the need for a royal commission to study thoroughly and completely whether or not there should be a complete revision of the act. Almost in the next breath he said that since the day he assumed office he started within his department a study of his particular act itself and almost three years later we see the results of that study. Normally one would think that a royal commission would not take longer than a three-year period to make a thorough, full and complete study of the act and whether there was any need to change it.

What would be even more beneficial would be the fact that a royal commission at least would make a public report, would go into details and explain as thoroughly as it could the reasons for the proposed changes which it might suggest. Here we have the results of an interdepartmental study, with the report being secret or hidden, not available. We do not even know whether this proposed legislation before us now even meets with the approval of the people within the investigation branch itself. From reading reports of the restrictive trade practices commission over the years and prior to that by the director I would come to the conclusion that it does not represent fully the thoughts and ideas of the departmental officials responsible for this particular piece of legislation.

As I listened attentively to the minister last evening I was reminded of the first venture I made a few years ago to purchase a used car. I remember the salesman spending a great deal of time telling me how this used car was in reality a most outstanding car; that is, it had been tuned up, altered, changed, put in tune with the times. In fact, I was told in particular that this used car was not only as good as it was the day it came off the factory line but, because of the tuning up and the alterations, it was even better; that this used car would be truly a car that I could purchase and use in order to get about, protect myself properly and move from one place to another. But I undertook to check the statements of the used car salesman. I discovered that if I had bought that car I would have bought a real lemon, just as the people of this country and the people in this parliament, if they buy this particular bill, will be buying a lemon also.

I was interested, too, to listen to the sham battle, as it were between the Leader of the Opposition and the Minister of Justice, and I expect it will be carried on by the subsequent speakers. I could not help but think back to the time when under the Liberal government there was an inquiry into the flour or milling industry, and that it was the Liberal government that suppressed that particular report and prevented the proper prosecution of that particular case in the courts. As a result of the McGregor report being

hidden, secreted, and the statute law being violated by the Liberal government an illegal condition which had been carried on for many years escaped proper prosecution. I hope the same thing does not exist under the Conservative government; that it does not undertake to suppress particular reports and to keep information from the public about activities discovered as a result of inquiries and investigations under the act, or under the amended act, if it gets that far.

It is the intention of the C.C.F. to oppose and to fight the progress of this particular bill at every stage in its proceedings, on second reading and in the banking and commerce committee also, and in the committee of the whole house, if and when the bill gets back here, and to propose alterations and amendments which we think are necessary if the legislation is not adequately amended and changed to protect the interests of the consumers of this nation. Then, we intend to fight it all the way, morning, noon and night, on third reading also.

There is only one part of it that we endorse. I do not wish to infringe the rules by making reference to specific details, but only to do so in a general way. I refer to the last clause, clause 23, which extends until the end of December, 1961 the fact that this act shall not apply to fishermen along the west coast. Even that December, 1961 extension is hardly adequate, knowing the full impact it is apt to have upon the fishing industry.

We are unalterably opposed to what is in fact a series of proposed amendments which do not, as we see it, clarify the present act but seek to wreck it. One may ask why we should be opposed. It is a valid question. The consumers, the general public, the people of Canada, however you want to refer to them, are the ones affected to the greatest degree by anti-combines legislation. It is their interest and their welfare with which we should be primarily concerned.

The small businessman is really in the same class as the consumers, and I am differentiating between small and large businesses. It is true that these individuals are virtually helpless and defenceless against encroachment by large corporations. They are defenceless against any illicit or illegal practices by large corporations in the fields covered by anti-combines legislation generally, such as price fixing, allocation of markets, restriction of production or distribution and so on.

The only way that the consumer is able to gain any assistance and have any defence in his efforts to get a square deal is by legislation, a defence that guarantees by law that he will be protected, that is enforced by law to ensure his protection. There is a modicum of protection in the act at the present time but the bill does nothing to increase the degree of protection. It does nothing to assist in promoting the welfare of the consuming public. In fact, it detracts therefrom.

There are two more or less general spheres covered by the bill, as indicated both by the Minister of Justice and the Leader of the Opposition. One is the field of combines and conspiracy related to restrictive trade practices and the other is the field of the small businessman and his activities. So far as the larger corporations of the nation are concerned I am sure that the bill is quite pleasing to them. By having sponsored these amendments, which I will deal with in detail later, I am sure the government party will find the welcome mat displayed on the doorstep of these large corporations. As a result of this bill I am sure the party to which the minister and the other members of the government belong will find there will be no difficulty in filling the treasury chest at campaign time.

The bill also allows the government to tell small businessmen, upon whom it depends for a great deal of its support, at election time how decent the government has been toward them. We have a paradoxical situation of the government trying to be everything to everybody at the same time but it is not carried out in fact when we analyse the details of the bill and see its effect. The minister said last night, as found at the bottom of the righthand column on page 4340 of *Hansard*, with reference to the study that had been made:

> This study was carried out in conjunction with the advisers of my department and of the combines investigation branch, as well as with representatives of business and business organizations who lost no time in making representations to us.

You bet they did not lose any time in making representations to the minister. After all, he is their friend and this bill represents one of the rewards his friends are receiving as a result of past favours. There are elements in Canada, notably those who have been and are still engaged in illicit price fixing and restrictive trade practices, who know how benevolent this bill is. It is a fact that some of these corporations which have been prosecuted in the past for infractions of the act have wanted to write protective features into the legislation for their own benefit to the detriment of the benefit of the consumers and they could not have done any better than to secure the loopholes that are provided under subclause 2 of clause 32.

I think we are entitled to assess the effectiveness of the act as it has been administered up to now and, based on that, see whether or not that effectiveness has been increased or detracted from by the bill. I think almost every minister who at any time has proposed amendments to the combines legislation has stated that one of its purposes is to ensure that competition remains in effect to the fullest possible degree and that the benefits of such competition in a free enterprise society accrue to the consumer. The second design of the act, as has been indicated by each minister who has had the responsibility of dealing with the anti-combines legislation, is to protect the consumer. One of the theories of free enterprise that we hear lauded so much is that automatically there is competition, that free enterprise and competition go hand in hand. However, the mere fact that we have such legislation on the statute books would indicate that this is not so, for if competition were an inherent part of the free enterprise philosophy one would not need this sort of legislation to ensure that it is maintained and to prohibit certain non-competitive and discriminatory practices.

There are a number of penalties and remedies set out in the act with which I should like to deal briefly. I think we may say there are five in particular although there are also ancillary remedies and penalties. One is that the governor in council may remove or lower customs duties if it is found that this will help to bring about the benefits of competition. Second, the Exchequer Court of Canada, upon information from the attorney general and Minister of Justice, may declare as void any exclusive patent or trade mark rights and may direct that the products on which the patent was issued may be produced in some other fashion by another concern. This is designed to bring about competition. Then there is provision for court orders of prohibition to bring about the dissolution of mergers and monopolies and there is also provision for fines and/or imprisonment.

So far as the customs duty provision is concerned, which is the prerogative of the governor in council, obviously it is designed to bring competition into play from sources outside Canada and thus bring about price reductions through firms outside Canada sending goods into Canada at lower prices than those charged by the group within Canada enjoying the protection. This provision has, of course, been completely ineffective because it has never been used. I took it from the remarks of the Leader of the Opposition—if I am wrong I will stand corrected—that he suggested this could be one of the alternative procedures to prosecution resulting in a fine or imprisonment, but everyone knows that when the Liberals were in office for so many years they never made use of this section of the act. Nevertheless, hindsight enlightenment is welcome and, as I have said on other occasions, it is amazing how stimulating defeat at the polls is upon the imagination and the development of new ideas.

The section of the act dealing with patent rights is also designed to allow the exchequer court to void those patents and to direct that the product may be produced by other companies. This provision is designed to bring competition into play within the country, but has never been used and that is why, in itself, it is not effective. The remarks I have made about the Liberals being in office and their lack of action in connection with customs duties also apply to the patent rights section because, as I say, it has never been used in any way.

I would point out here, and perhaps this is an aside but it is a related matter, that sometime ago I asked a question with respect to the issuance of patents for antibiotic drugs, the tetracycline group of so-called wonder drugs. In almost every case the patents in connection with these drugs have been issued to United States concerns, and I do not mean Canadian subsidiaries of United States companies but to the parent companies in the United States. Almost all of them were issued while the Liberal government was in office. We all know that the prices of the tetracycline group of drugs have remained static ever since 1951, regardless of the fact there has been an increase in production and regardless of the entry of new companies into the production of antibiotics. Surely there is a prima facie case here that these companies which have patents—true, they are outside of Canada but the patents were issued under our law —have been using these patent rights to unnecessarily hold up the prices for antibiotics. As I said, that is an aside.

Another remedy lies in the fact that the courts can issue an order for the prohibition of the continuation of an offence. I do not really see how this provision brings into play any degree of competition. It merely prevents the continuation of any particular offence. Later on I hope to explain how this order for the prohibition of the continuation of an offence can be effectively bypassed by any group of companies that wants to do so under the price leadership theory.

Then there is a provision for the dissolution of mergers which has not been used at all. I understand that there would have been such an application in the Canadian

Breweries case if that case had proceeded along the lines hoped for by the crown in its attempt to prosecute. Quite frankly, I think they gave that case away, but that is another matter with which I shall deal later.

Then the fines and jail sentences are the penalties contained in this legislation. They do not bring competition into play, they merely penalize for past infractions. Incidentally, I do not believe they can be considered, perhaps to a slight degree, as deterrents to corporations that want to infringe the law in connection with these restrictive practices. For one thing, there has never been a jail sentence imposed, at least not to my memory, for an infraction of the section relating to a conspiracy to fix prices. I am quite sure that if some of the judges in this country had acted with that degree of perseverance with which they have acted in other cases and had imposed some jail sentences as a result of convictions under this section it would have been a more effective deterrent than it has been so far. However, no jail sentences have been imposed. If they had been, perhaps the price fixers would not have been able to operate so easily and so freely as they have.

Fines have been the major method of dealing with a conspiracy to fix prices. Practically all the prosecutions which have resulted in convictions have led to the imposition of fines. What, in reality, do these fines mean? I should like to explain why, in many cases, they are not an effective deterrent, if that is what they were designed to be. Certainly fines do not promote competition which is one of the ends to which this act is supposed to lead.

May I take just one isolated case, although there are others. In the farm fencing case a number of firms were fined for price fixing arrangements, and I should like to relate those figures to indicate just how little a fine means in some cases. This information was obtained as a result of a question I asked. The Dominion Steel and Coal Corporation Limited was convicted and fined under, I believe it would be section 411 of the Criminal Code, for fixing the prices of farm fencing and link fencing. This corporation was fined $10,000 in 1956. Ten thousand dollars may seem like a pretty hefty fine for any one corporation or individual to pay, but in reality this amount was only three twentieths of one per cent of the net profit made by Dosco in 1956, or one cent for every $6 of net profit. I refer only to the year in which the fine was imposed, but if the fine were spread over the 20-year period of the conspiracy the amount would be even more infinitesimal.

The Steel Company of Canada was also fined $10,000. Stelco was in a bit better position because the fine meant only four one hundredths of one per cent of the net profit of Stelco in 1956, or one cent for every $25 of net profit in that particular year. There were a number of other corporations involved and my examination reveals that no fine ranged higher than 1.8 per cent of the net profit of the corporation for that particular year. In reality this is nothing more than a licence fee for engaging in these assorted practices, regardless of the fact that Stelco, Dosco and the other steel companies were engaged for a period of more than 20 years in milking the farmers of this country for every penny they could, and in milking the government of this country for every penny they could.

I hope, Mr. Speaker, that perhaps some one of the cabinet ministers will at least read in *Hansard* what I am saying so that the suggestions I am about to make can be considered because I do not see any of them in the house at the moment.

Mr. McGee: Would the hon. member permit a question?

Mr. Howard: Yes.

Mr. McGee: In relating the fine to the net profit in a given year for the company in question is the hon. member implying that the total net profit was of an illegal nature?

Mr. Howard: I did not imply that at all. I merely pointed out what these fines meant in relation to the net profit picture of these companies. There are other cases in that particular year in which fines were imposed. I was pointing this out to indicate that in effect these fines are nothing more than a licensing fee to operate illegally. I was saying that a fine of one cent for every $25 net profit means very little to a company like Stelco.

Mr. McGee: If the hon. member wants to be fair, what he means is that the total operations of that company are illegal, not the particular operation which was exposed by the investigation.

Mr. Howard: My hon. friend is now making a statement. I assume he will have an opportunity to participate in the debate and he can make that statement if he so desires. The hon. member initially asked a question as to whether or not that was what I was saying and I said no that was not what I was saying. He can interpret it the other way if he so wishes, and say that every dollar Stelco gained that year was illegal; that is his business, not mine. What I was suggesting was that in relation to the question

of fines there should be an alteration in the approach to the employment of fines.

I would suggest that consideration be given to establishing a fine on a percentage basis, perhaps between 5 per cent and 20 per cent of the net profits of the company say over the past 10 years or for a lesser period of time if the illicit practice has been engaged in for that lesser period of time. This fine, with a minimum of 5 per cent, would establish a penalty which would act as a deterrent by the mere fact it was there. It would act as a deterrent because it is a potential fine. It would also to a degree recoup society by money going into the general revenue some of the money which that corporation had taken by illegal means over the years in which it had been engaged in these activities. It would also give discretion to the court, by placing a 5 per cent minimum and say a 20 per cent maximum, to operate within this area and to assess the degree of illegal activity and decide whether or not a greater or a lesser fine should be imposed.

If I may be permitted to do so, Mr. Speaker, perhaps I could make some reference now to proposals to amend section 32, not in detail but in general, and point out that all of our convictions in the past have been based on and obtained as a result of having access to letters, documents, memoranda, minutes of meetings and so on which set out the desires of the companies to engage in certain price fixing arrangements. But what is occurring or what is developing is that these same organizations or new ones can engage in price fixing now without fear of being detected by the price leadership approach. This is generally as follows and I only set this out in general terms. Suppose there are six companies that want to engage in fixing prices. If one of them raises the price of its product on a particular day and its other five so-called competitors raised their prices on following days, within the next week or two, this is known as price leadership and it is impossible to prosecute; it is impossible to detect.

The minister made reference to the escape parts of clause 32 and that they were leaving in effect the definition of a combine and he made reference to price fixing. He made reference to certain co-operative activities which would be beneficial, I think he said, to society although perhaps he meant beneficial to a certain select private group. These co-operative activities are as follows. I only make general reference to them without reading because I realize that is contrary to the rules. Now a group of corporations—if this bill becomes law—can engage in a conspiracy to fix prices and can have as a defence that they were exchanging statistics. The statistics are price lists. But if there is an exchange of price lists and competitors follow suit within the next few days under the price leadership approach we have price fixing but it has been legalized by reference here to the exchange of statistics.

They can co-operate on the defining of production standards. They can give a detailed account to each of their so-called competitors about production standards and quality of the products they are producing and within a short while the same group of people can be engaged in price fixing or a production restriction program and engaged in price fixing by price leadership and it can even be completely authoritatively done. They can co-operate in research and development which would be a great boon to the drug industry which already co-operates in the use of research. If that is not sufficient, if the minister has not given enough loopholes and enough legislative authority to price leadership to take over, he throws in a catch-all phrase that they can engage in some other manner not enumerated.

I have only a moment or two left, Mr. Speaker, so I am not going beyond this point into the question of the small businessmen and the price allowances, discriminatory practices and so on. That matter will be dealt with later on by other speakers. But these amendments simply legalize the price leadership approach to price fixing, restricting production and carving up markets and give statutory and parliamentary blessing to abuses of this sort and to setting up private price control agencies which will from here on in be able to operate with immunity and without fear of detection or prosecution because regardless of the minister's comments and the misinformation he gave us about the beneficial effect this would have on society, it will have a decidedly detrimental effect on society. I would venture to say they will never have another prosecution or probably never take another case to court under section 32 for restrictive practices, conspiracy and combines with respect to any of the clauses (a), (b), (c) or (d) of section 32 (1). This in itself will have an enhancing effect on the present trend toward business itself, something to which the minister made some slight reference. But he makes no reference in the bill as to what can be done to cope with the question of bigness and it is an important problem. This will be enhanced and gain will be made by those who want to engage in the same practices in which they have engaged previously at the expense of the consumer.

It is unfortunate that the minister did not set up this royal commission he talked about

when he took office instead of consulting his friends who are not in the house even or who are not even within his own department in order to determine from them what alterations and what changes should be made.

As I mentioned, my time is running out, Mr. Speaker. But perhaps I shall have an opportunity at some other stage of the proceedings, such as at the committee stage, to put into words some of the thoughts I have on this particular bill. I am sure that other members of the C.C.F. will do so because, as I said, we intend to fight this bill morning, noon and night at every step of its progress. We will take the opportunity later on to discuss the dilatoriness, the detrimental effects of the other parts of the bill, the merger question, the question of monopolies, the question of the elimination by the back door of the resale price maintenance section and other factors of that nature.

Mr. L. D. Crestohl (Cartier): Mr. Speaker, there are not many bills that come before parliament that draw a clear line of demarcation between the philosophy of the government party and that of the Liberal party. From time to time such a bill does come before the house and it is basically one that sets out the differences between the two parties. For example, a bill dealing with the question of high or low tariff protection is one that sometimes comes before the house and is one in which we recognize the lines of party differences. The present bill before the house reflects, in my judgment, that classical and traditional difference between the Conservative party and the Liberal party and their philosophies. Because the present bill falls into that class I think we should give it as close attention as possible and perhaps should be able to express opinions as to the two different philosophies.

This one, for example, clearly establishes in my judgment the clash between the classes, the industrial and commercial tycoons on the one hand and the consumer masses on the other hand. Because we are concerned with that philosophy which politics preaches, the greatest good for the greatest number, we feel that this classical difference establishes the point of view that the Liberal party holds, that any legislation which is going to show any preference to business and industry at the expense and to the prejudice of the large masses of the public across the country is legislation which we oppose, and, as my leader has said, oppose down the line because, as he so well and thoroughly illustrated, this is not a measure that would legislate the greatest good for the greatest number. As I said a moment ago, it is actually a clash between the control of big business over the freedom of competitive trade.

The historic position of the two parties was outlined by my leader with his customary precision and factual truth last night and once again he placed these two points of view into proper focus. As I listened to the minister I got the distinct impression that he was presenting a sort of apology for having to introduce this legislation, and I was reminded of the French proverb, "Qui s'excuse, s'accuse". In his presentation I found that he laboured. He did not appear to be convinced that he was philosophically right in what he was actually doing, because I believe that way down deep he must revolt at this type of legislation, which is commanded only by a loyalty to the philosophy of a party and not by personal conviction.

Mr. Fulton: The hon. gentleman is wrong as usual and also out of order.

Mr. Crestohl: The minister attempted to straddle in colossus-like proportions the classical gap between big business in the form of combines, trusts and cartels, and free and competitive trading. The fact is that this cannot be done. The government's majority will get the legislation on the statute books in all probability, but it will only do what former Conservative governments have done and that is to destroy an effective combines law which was sustained over and over again by the supreme court and indeed by the privy council, despite the frequent attempts by the Conservative party, in league with big business, to destroy it.

The minister was at great pains to repeat several times in a serious attempt to impress the house that this was not a revision of the act but was only an amendment. I noted that he repeated that statement more than once. Well, Mr. Speaker, he may call it an amendment—and technically he is perfectly right, it is an amending bill—but the amendment attempts to remove whole sections, important sections, and replace them with others which alter the basic purpose of the act. The act is left with the introductory clause and with other sections in the act which are meaningless but are necessary to give it form. But certainly the amending bill, because it introduces so many new sections and removes the basic sections of the act, could in every sense with the exception of the technical meaning one can give to it, be a revision of the act now existing.

I say that instead of tightening up loopholes of escape for big business offenders, the minister not only widens these loopholes but creates new ones which will be pointed out when we examine the bill section by section in committee. Under the rules we cannot do that at the present time, but I

hope when it comes before the banking and commerce committee and in committee of the house after second reading we will be able to indicate that more avenues of escape have been created than should have been prevented. As a matter of fact, as I see it the minister is attempting to perform and probably will be successful in performing a very dexterous dental operation. He is really extracting the teeth from the act, and as I said before will probably prove himself to be a very successful dental surgeon.

I have the feeling that if the government did not fear great public resentment they would in all probability repeal the entire act as it now exists.

Mr. Chambers: Nonsense.

Mr. Crestohl: It may be nonsense to the hon. member. I think that is about the only term I have ever heard him use in this house, but he may be right; it may be all nonsense from beginning to end.

Mr. Chambers: I only use that term when you are speaking.

Mr. Crestohl: I have heard him use it constantly when others are speaking too. I recommend that if the hon. member learns another term which might be a little more descriptive he will get some promotion.

Mr. Chambers: Talk about something else and I will use another term.

Mr. Crestohl: If the government should possibly withdraw or repeal the act they would then be following the Conservative philosophy which as is well known has been established through the years. But as I say they do not dare do it.

The fact is that every time they came into power, and that is on two occasions during the past 50 years, one of the things they did with the combines investigation law was to water it down, create loopholes, create avenues of escape. That has been the only accomplishment of their treatment of this law.

I would like to illustrate that and to point out—

Mr. Speaker: Order. I must interrupt the hon. member, 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

Mr. Hanbidge: Mr. Speaker, before you leave the chair I ask for the consent of the house to have the second reading of Bill No. S-31, an act to incorporate Northern Pipe Line Company, proceeded with first. It is item No. 343.

Mr. Speaker: Is the house prepared to give unanimous consent to taking item 343 before the other items standing for consideration at this time?

Some hon. Members: Agreed.

NORTHERN PIPE LINE COMPANY

Mr. R. L. Hanbidge (Kindersley) moved the second reading of Bill No. S-31, an act to incorporate Northern Pipe Line Company.

He said: Mr. Speaker, this bill is for the purpose of incorporating Northern Pipe Line Company into a dominion company with head office at Regina in Saskatchewan. The purpose of the act is to create a company to apply to the national energy board for a permit or permits to construct, own and operate pipe lines for the transmission and transportation of gas, oil and other liquid hydrocarbons within and outside of Canada.

It is expected that the company will have Canadian and United States shareholders of financial and business responsibility as and when it is ready to proceed with a program for financing and constructing pipe line facilities. In the meantime the principal beneficial shareholder is Minnesota Pipe Line Company, a corporation organized and existing under and by virtue of the laws of the state of Delaware with its principal office located at Saint Paul, Minnesota. The extent of the interest of the Minnesota Pipe Line Company in this new company, Northern Pipe Line Company, when the plan of organization is complete, has not been determined and will remain an open question until such time as the Northern Pipe Line Company is ready to proceed with its application to the national energy board.

The chief beneficial owner, Minnesota Pipe Line Company, owns and operates a 16-inch crude oil pipe line system extending from a take-off point on the interprovincial pipe line system at Clearbrook, Minnesota, a distance of 256 miles. The Minnesota pipe line system is transporting about 40,000 barrels a day of Canadian crude oil to United States' markets. That pipe line system originally cost about $12,800,000. Its replacement cost as of today would be about $16 million.

As and when Northern Pipe Line Company has been incorporated by act of parliament it is contemplated that an application will be made to the national energy board for a permit to construct a 16-inch or larger crude oil pipe line system near Regina, Saskatchewan, to a point on the international boundary

line between Canada and the United States near North Portal, Saskatchewan, a distance of about 153 miles. An estimate of the cost of this crude oil pipe line system is $10,500,000.

It is contemplated that the Northern Pipe Line Company would connect with and deliver crude oil and other liquid hydrocarbons to a 16-inch or larger crude oil pipe line system to be constructed from a point near Portal, North Dakota, to connect with the Minnesota pipe line system at Clearbrook, Minnesota, a distance of about 330 miles.

The Northern pipe line system would transport and deliver to the United States pipe line system in the initial stages approximately 26,000 barrels a day of Fosterton type crude oil now being transported by the south Saskatchewan pipe line system from the Fosterton, Dollard and other fields in southwest Saskatchewan via Regina and initially approximately 12,000 barrels a day of the Midale type crude and other types of crude oil now being or to be produced in the fields of southeast Saskatchewan. It is contemplated that the United States pipe line system would transport initially about 20,000 barrels a day of crude oil from fields in the Williston basin area in North Dakota for delivery into the Minnesota pipe line system.

This proposed Northern pipe line system is required to provide more economical transportation for Canadian crude oils to United States' markets and to expand markets for Canadian crude oil.

I might add that as at December, 1954 there were 1,094 oil wells in Saskatchewan. As at December, 1956 the number had increased to 2,414. As at December, 1954 there were 30 oil fields in Saskatchewan and as at December, 1956 this number had increased to 46. In 1956 over $600 million was spent in western Canada on exploration and oil field development programs. Saskatchewan is the second greatest oil producing province in Canada. The establishment of this company will mean employment in Saskatchewan and a financial investment in that province as well as a market for our crude oil.

The persons who are interested in incorporating this company are already interested in Saskatchewan oil. They drilled the discovery well in the Fosterton field in the southeast corner of the Kindersley constituency approximately 35 or 40 miles northwest of Swift Current. They also have other interests in addition to their interest in the Fosterton field.

If the bill receives second reading I intend to move that it be referred to a standing committee of this house where all details can be discussed and witnesses appear to answer all questions that may be put with regard to the incorporation of the company, the shareholders, the financial setup, etc. As I have already stated, before any construction will be proceeded with it will be necessary for the company to make application to the national energy board for its approval. I move the second reading of this bill, seconded by the hon. member for Melville (Mr. Ormiston), and commend it to the favourable consideration of the house.

[Mr. Hanbidge.]

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I wish to thank the hon. member for the explanation he has given the house about the reasons for the company seeking incorporation by special act and the explanation he has given as to the intentions of the company after incorporation.

I wish to raise one other matter. I regret that in his remarks the hon. gentleman did not deal with the matter of the urgency of bringing this bill forward out of its regular place on the order paper. What it means is an added difficulty in bringing the session to a conclusion because all hon. members will have to remain in the chamber of the House of Commons at all times and can no longer rely on the order paper for the sequence of business. That is, unanimous consent for bringing forward business out of its regular sequence as indicated on the order paper can be obtained at any moment in the proceedings without any explanation whatever for that being given to hon. members.

I believe the house is entitled to know in advance, if possible, what the order of business will be although I appreciate that in some cases it is not possible. Surely some reason for this practice is owed to other hon. members who are interested in legislation. They are entitled to know the reason for the urgency in dealing with this matter ahead of the several hundred other private bills that are on the order paper ahead of it.

However, be that as it may, I have no criticism whatever of the hon. member on that score because I know it was not any wilful omission on his part in any way. My purpose is rather to draw the attention of the house to that practice which in my opinion is dangerous to the rights of debate and to the rights of hon. members of this house.

Mr. Churchill: Would the hon. member permit a question. Would the hon. gentleman make it clear that this is not government legislation?

Mr. McIlraith: Oh, quite. I want to make it entirely clear that this is a private bill. I was not criticizing the government for it at all. I was merely attempting to draw attention to a practice that is growing up in the private members' hour that can be harmful to the conduct of business in the house.

There is another matter which I feel I should raise at an early stage in the discussion of the bill although I do not know whether it would be more properly raised on second reading or in committee. Perhaps it should be mentioned now so there will be notice of it at the earliest possible moment. I refer to the name of the company. We have an application for incorporation of a company under the name of Northern Pipe Line Company. At the same time we have in existence and operating through a wide area of Canada a pipe line company incorporated by special act of parliament and called Trans-Northern Pipe Line Company. We also have a crown corporation known as Northern Ontario Pipe Line Crown Corporation. It seems to me that to grant a name so similar to that of two operating companies already in existence, without some explanation as to the reason for the name, or some other explanation as to why that name should be granted to this company, is setting a dangerous precedent. I have asserted on other occasions, on other bills the proposition that there is likely to be confusion by the public of the names by reason of the names granted to companies incorporated by special acts of parliament.

There is no procedure in parliament for examining the possibility of confusion in the names being granted as there is in letters patent companies, and this particular name sought by those incorporators raises that very question in a very precise way. I hope that at the committee stage consideration can be given to the question as to whether or not, in the opinion of the committee and later when the bill is returned to the house, in the opinion of the house, there is likely to be confusion caused to the public by the granting of this amendment.

There is nothing more for me to say about the substance of the bill because facts having to do with the company itself can be brought out at the committee stage and can be dealt with more appropriately there.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I want to express my appreciation to the hon. member for Kindersley (Mr. Hanbidge) for his fine remarks in presenting the bill to the house. I should like to hear him, either when he concludes the debate or maybe this information can be made available when the bill is referred to the committee, on the reaction of the government of Saskatchewan in regard to the application for incorporation of this company. Natural resources come under the jurisdiction of provincial governments. I note that in particular the hon. member made reference to the fact that this pipe line company would be carrying at certain places oil now being carried in other pipe lines.

I have only two matters that I should like the hon. member to touch on either now or at the committee stage. The first one is as to whether or not this pipe line means merely a duplication and unnecessary overhead for the movement of oil. My second point is, what is the reaction of the government of Saskatchewan and of the governments of Alberta and Manitoba, if they are involved in the plans of this pipe line company?

Mr. Speaker: If the hon. member for Kindersley speaks now he will close the debate.

Mr. Hanbidge: May I say a word, Mr. Speaker. With regard to the name, I may say that the name that this company first chose was the Yukon Pipe Line. They found that that name had already been used by a company incorporated by this parliament, so that was out. However, I believe this can be dealt with later in the committee. I believe the present name was approved by the officials of the other place after consultation with some of the other departments.

So far as the urgency of the matter is concerned, the reason for bringing it up is that when it goes before the committee on railways, canals and telegraph lines it will be necessary to have some parties interested come from Texas and Minnesota. I was hoping that we could get through second reading today so that there would be plenty of time to get in touch with those people. I believe their solicitors are now actually in Regina. They have some business to do there.

With regard to the matter raised by the hon. member for Burnaby-Coquitlam (Mr. Regier), I have to take that up with Regina. I am quite sure my hon. friend agrees with me that the government of the province is most interested in the development of the resources of the province and will do everything it can to co-operate with us in getting this company incorporated so that it will develop the oil and gas fields in Saskatchewan and promote the sale of the product. However, I will see that that matter is taken up with the proper parties.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

The Deputy Chairman: Order. House again in committee of the whole on private bills; shall the 46 divorce bills be taken as one item?

Mr. Peters: No, Mr. Chairman.

The Deputy Chairman: We may consider Bill No. SD-49.

Private Bills—Divorce

ROGER VERMETTE

The house in committee on Bill No. SD-49, for the relief of Roger Vermette—Mr. McCleave—Mr. Rea in the chair.

On clause 1—*Marriage dissolved.*

Mr. Peters: I should like to make a few remarks on this particular bill. This particular case has several oddities about it and several very disturbing factors are contained in the bill. You will note, Mr. Chairman, in reading the evidence in this case that the Senate saw fit in discussing this particular matter to give back part of the Senate parliamentary fee to the man because of his financial condition. This would appear to be a good practice and a practice arising out of the lawyer's questioning and his investigation into the amount of money that the workman made.

This particular case has another bad feature in that there are four children. The fact that there are those children gives us some concern.

The Deputy Chairman: Order. I will have to remind the hon. member again that he cannot refer to the children.

Mr. Peters: I do not intend to discuss them; I am pointing out there are some oddities in this particular case that we have not had in other cases. Although there are four children the husband in his answers indicated that he is 35 years old; that he lives at St. Sophie, in Terrebonne county, province of Quebec. Questioning by the clerk brings out the following information:

Q. At the time the petition was drafted, where were you living?
A. At 462 Ouimet street, in St. Jerome.
Q. What is your occupation?
A. Labourer.
Q. Are you married and if so to whom?
A. Yes, to Aurore Belanger.
Q. When were you married?
A. August 23, 1947.
Q. Where were you married?
A. In St. Therese de Blainville, Terrebonne county, province of Quebec.
Q. By whom?
A. By l'Abbe Vezeau.
Q. What is your religion?
A. I was a Catholic at the time.
Q. And what religion was your wife?
A. She was a Catholic also.
Q. I show you a document. Do you recognize it?
A. That is my marriage certificate.

At that point, it is very interesting to note that, in keeping with something that I was told not long ago by one of the learned lawyers, there is no divorce possible for Catholic people. He pointed out that as a Catholic himself he had no objection to acting in divorce cases for the simple reason that no Catholic could obtain a divorce. He said that if they took this procedure they were not Roman Catholics. Therefore it is interesting to note in the evidence that the petitioner said:

A. I was a Catholic at the time.
Q. And what religion was your wife?
A. She was a Catholic also.

He agrees that the information in the marriage certificate filed as exhibit No. 1 is correct and also that exhibit No. 2, the photograph, is a close likeness of his wife and that the photograph is only a couple of years old. The lawyer in this case was Alvin B. Jacobs from the city of Montreal. He appeared for the petitioner and he asked the following questions:

Q. Where were you born?
A. At St. Scholastique, in the county of Two Mountains, province of Quebec.
Q. Have you always resided in the province of Quebec?
A. Yes.
Q. During your marriage with your wife where did you live?
A. In Ste. Therese and St. Jerome.
Q. Did you have any children with your wife?
A. Yes, four.
Q. Can you give their names and how old they are?
A. Louise, born July 28, 1948; Yves, born December 18, 1950; Daniel, born November 8, 1952; Denis, born January 23, 1955.
Q. With whom are the children living today?
A. They are with me.
Q. How did you get along with your wife during the time you lived together?
A. Not very well.

I think that some comment is called for there. It would appear that they got along fairly well at particular times and that the situation here did not involve aggravation built up over a period of time. Something must have happened in this particular case. I think this is also in keeping with what learned counsel indicated to me the other day, that in the majority of bona fide cases there are other circumstances than the charge of adultery in a motel or some place else that is put forward for our benefit. It is not the actual cause of the dissolution of the marriage. I see one learned hon. member listening. This gentleman pointed out that he had handled 10 cases and that in 9 of them detectives were not used as the evidence was quite easily obtainable in other ways. This man lived with his wife over some period of years and therefore when he answered "not very well" to the question as to how he got along with his wife I think that was stretching the point considerably.

It reminds one of the old story of the man and woman who were visited by a gentleman and he observed that they did not talk to each other. He asked them if this had been going on for a long time and he was told that they had not talked to each other for years. Then he noticed a number of little children and he asked whose children they were. He was told they were theirs. He said,

"But you have not talked to your wife for years" and the answer was, "We do not get along that badly". So perhaps the answer "not very well" does not mean exactly what it says. Then the petitioner was asked these questions:

Q. What trouble did you have?
A. My wife was going out a lot and she was using bad language to the children, she was blaspheming. Often, while the three oldest ones were to school she would have the baby minded by a neighbour and she would go out in the afternoon.
Q. Now, did you live intimately as man and wife with your wife all the time?
A. No. About a year and a half or two years before the date of November 24 my wife did not want to sleep with me any longer.
Q. Do you personally know what happened on November 24, 1958 between your wife and Paul Emile Labelle?
A. Yes.
Q. Were you with the detectives when you saw your wife with Mr. Labelle?
A. Yes.
Q. Where did you see her?
A. At a motel in St. Janvier de Blainville, room No. 15.
Q. Where was your wife when you saw her in that room?
A. She was in the bed.
Q. What condition?
A. She was naked.
Q. Who was with her?
A. Paul Emile Labelle.
Q. Where was he?
A. He was beside her, naked also.

Then a senator asked this very obvious question:

Q. How did it come about that you surprised these people?

I think hon. members should be very interested in that question.

A. After the detectives obtained the key to the motel and they walked in—

Here we see again this type of action. In the near future we are going to be asked to discuss a bill of rights yet so often in these cases we read about people entering other people's premises in this way, gaining entry by false means, breaking down the door and so on. People's privacy is invaded but other hon. members do not seem very concerned about the matter. It may be all right in the province of Quebec to barge into anybody's house if you can find a key that will fit the door. I certainly hope it is not because if that is the practice it will lead to a great many abuses. It seems to me that the senator was quite correct in asking this question. The answer was:

A. After the detectives obtained the key to the motel and they walked in, there were two of them, they used the key to get in, then my wife screamed and cried, "Paul", the detective turned on the light and he removed the bed covers and I saw them both naked in the bed.

I suggest that the members of the committee of the other place should have taken advantage of this opportunity to ask the detectives what arrangement there was whereby they arrived at this motel on that particular night and how they were able to obtain a key to get into somebody else's room. Mr. Jacobs went on to ask these questions:

Q. Before November 24 did you give instructions to have the conduct of your wife investigated?
A. Yes, by detectives.
Q. On November 24 did the detectives come to your house and tell you anything?
A. Yes, they came to get me to go to see my wife.
Q. Where were you at that time the detectives came?
A. At home.
Q. Since November 24, 1958 have you had any sexual relationship with your wife?
A. No.
Q. Has she ever returned home to you and the children?
A. No.
Q. Does she come to see the children?
A. No.
Q. Is there any collusion or arrangement between you and your wife to obtain this divorce?
A. No.
Q. Did you discuss it with her?
A. No.
Q. Did you arrange with Paul Emile Labelle to take your wife away from you so you could bring this petition here?
A. No.

An hon. Member: He means well.

Mr. Howard: It is written well.

Mr. Peters: I suggest that the lawyer in this case asked the type of questions which would tend to obtain the answers that he wished. I think that hon. members should be interested in knowing several other things. Did the lawyer make arrangements in this case for the respondent and corespondent to be at a certain place at a certain time? Second, is it not possible that arrangements were made between the detectives and the people who were trying to obtain this divorce? In the case before us we learn from the evidence that this man was an unemployed carpenter. He makes less than $85 a week and he is only employed on a seasonal basis. He has four children and he has to live in somebody else's house. He has to have people look after his children.

I suggest that this man does not necessarily want to get married. He is not earning enough to keep his family and there is no apparent reason why he should be obtaining a divorce at all. I think if he were given his way this particular case would have meant the end of this relationship but there would have been no hurry to get this divorce. I also suggest, and it should have been quite obvious to the legal counsel who was asking these questions; I suggest it was, and he did not ask certain questions because that would have defeated his purpose—that the person who wants the divorce is the woman in this

particular case. Likely arrangements have been made with this Paul Emile Labelle, and she wants to marry him. As this particular lawyer told me the other day, there is seldom a divorce petition filed unless one of the parties has made an alliance with somebody else and is in a position to remarry. If they do not want to get married, then there is no particular advantage in getting a divorce, particularly when you consider the amount of money they have to pay for a divorce which goes through parliament.

I suggest that this questioning is very careful questioning. It is questioning which is designed not to bring out the true state of affairs. The questions are framed in such a way that a person can answer them and still not put his foot into the pudding, so to speak, or cause any trouble. Hon. members should give some consideration to whether it is true that the woman in this case is the one who wants the divorce. It will be the woman or her boy friend who is paying for this divorce. This arrangement has been made by all the parties concerned. There is not necessarily collusion between the petitioner and respondent, but I believe there is collusion between the legal counsel, the respondent and the corespondent, and that an arrangement has been made that at least some of the money will have to be paid by the corespondent in this particular case.

Some hon. members were suggesting that I did better while I was reading. I would suggest that they are going to have to give some consideration to these other matters, and they should not listen only to the stereotyped evidence. They should give close attention to both parts of the case, that is what is read and what we are suggesting, because they have to make up their minds on this bill. It is their responsibility, and I would suggest they pay close attention to both aspects.

The lawyer asked a number of questions about the children, and I believe it would be all right to read those. In any event, the petitioner says he supports them.

Q. Who looks after them?
A. I live with another family and when I leave they look after the children.
Q. Do you live in the same house with the children?
A. Yes.

The Deputy Chairman: I must remind the hon. member once more that in Bill No. SD-49, there is nothing regarding children. If he keeps referring to children I shall have to ask him to resume his seat.

Mr. Peters: It is true that in the petition there is no mention of them, but the other place did give some consideration to their welfare. However, I do not intend to refer to that. Senator Roebuck, the chairman of the committee, asked these questions:

Q. Have you got a job?
A. No, not at present. I worked as a carpenter this summer but it is seasonal work and I am not employed at the moment.
Q. How much do you make?
A. Two dollars an hour and more.
Q. Is that sufficient to keep your family?
A. Yes.
Q. Will you likely be going to work again shortly?
A. Yes.
Q. How many hours a day do you work?
A. About 10 hours, it depends where.
Q. Would it be usually $20 a day you make when you are working?
A. Not always, it varies.

An hon. Member: What are you talking about now, unemployment?

Mr. Peters: No, I am just indicating that this man only earns this amount of money. I am suggesting that he cannot pay for this divorce. I have not seen any evidence indicating any reason why he should obtain this divorce. I am suggesting, therefore, that the divorce is not being paid for by the petitioner but is very likely being paid for by the corespondent. There should have been more questions directed to this matter because, as the evidence indicates, the amount he has earned has not been enough for him to keep his family.

Mr. Chambers: It is irrelevant.

The Deputy Chairman: Order.

Mr. Peters: Somebody says it is relevant, and I think it is relevant. If the hon. member had said "irrelevant", I would not have been so sure. I think it does matter. This man earns $90 a week but is only employed seasonally. He probably does not work more than half the year.

Senator Roebuck asked these questions:

Q. Do you own any property?
A. No.
Q. Do you own your own house?
A. No.
Q. Have you got any money in the bank?
A. Not much.
Q. Do you own any stocks or bonds?
A. No.

Then Mr. Jacobs makes a statement about the man's financial situation. This probably proves exactly what I am saying. The lawyer, knowing full well how much it costs to get a divorce through parliament, makes the claim that this man has not earned enough money to pay for it and, therefore, he should be given back some of the money paid in fees. He says:

Mr. Chairman, I would make application that under the circumstances of this man's financial situation and particularly in view of the fact that there are four young children to bring up, that part of the parliamentary fee be remitted to him. As to the amount, I would leave it to the discretion of the committee.

It should be borne in mind that the parliamentary fee is only $210 but that a divorce costs, on the average, $2,500. It seems to me that the lawyer is just trying to make it look good for himself and at the same time get some consideration for the man. I am very pleased to say that the committee did give consideration to this application and agreed to reduce the fee to $100, giving the man back $110.

The investigators in this case are old friends of this committee. They have been here on numerous cases. They always give the same type of evidence. Having read all the evidence in this particular case, I think you will be pleasantly surprised to know that there is a change in the evidence. This time they had no clothes on. Before they always wore baby doll pyjamas or something like that.

Then, Gerard Daigneault, 32, of Montreal, gives his evidence.

Q. What is your occupation?
A. Investigator.

By Mr. Jacobs:

Q. I show you a photograph which has been filed as Exhibit 2, can you identify the woman in it?
A. That is Mrs. Roger Vermette.
Q. Did you have occasion to conduct an investigation into the conduct of Mrs. Roger Vermette?
A. I did, sir.
Q. Over what period of time?
A. Our services being retained by you, Mr. Jacobs, during the first week of November, 1958, at which time you furnished us with this photograph over here and also giving us certain information, I started investigation with Mr. Paquette, and as a result of that investigation on November 24, 1958, accompanied by Mr. Vermette and Mr. Paquette, at approximately 8.30 p.m., at the Moulin Rouge motel, near St. Jean, in Quebec, unit 15, after having obtained the pass key from the proprietor of the hotel the three of us proceeded to unit 15.

I have seen this motel. It is a very pretty place. It is a large, elaborate motel. I think if the corespondent can take his girl friend there he can well afford to pay for this divorce and he should get no sympathy from us. But to anybody who wishes to stay at a motel I would suggest that if detectives float around with a whole pocketful of keys it might not be the best place in the world to spend a week end. The questioning continues:

By the Chairman (Senator Roebuck):

Q. Who were the three?
A. Mr. Paquette, Mr. Vermette, and myself. After opening the door with the aid of the pass key I put on the ceiling light to the right as you entered—

You see, Mr. Chairman, if this were even an hotel, from my reading of detective stories and that sort of thing, normally even if they were police they would not let people go into it themselves. The manager or the detective of the hotel or the desk clerk or somebody would go up with the pass key and would open the door. Instead of there being three there, there would have been four because the hotel official would very likely have been along. I see no reason why he should entrust the pass key which can be duplicated for any room in the hotel very simply or why he should give it to some other party. But things are done differently in Quebec than they are done elsewhere. That may be the answer. Anyway the evidence continues as follows:

After opening the door with the aid of the pass key I put on the ceiling light to the right as you entered and there right in front of us both Mrs. Vermette and the man who was with her were completely naked on the bed. As we entered the woman shouted, "Paul", and she took the white covers and covered herself up with the covers. Then I went to her, and she was holding the covers over her face like that, and I took her hand away and I asked Mr. Vermette, "Is that your wife?" He said yes. Then he added, "This is where you go for your moving picture." And I then asked the man's name; first he refused, and then I told him I would know just the same because his car was at the door. Then he wanted me to identify myself properly, which I did, and then I asked him for his car registration; he gave me his car registration and on it was written "Paul Emile Labelle", address 20-72nd avenue, St. Therese, Quebec. I asked him if that was his real name, and he said yes. After telling the both of them they would be hearing from Mrs. Vermette's attorney we left the premises.

Mr. Chairman, in a case we had the other day I mentioned the fact that quite often this question is put and this is one of those cases in which it is put:

I asked him if that was his real name, and he said yes.

This is the only case I have noted for some time where this question has been asked. I think it is a procedure that the other place would be wise to insist on. If they did so, probably some remarkable and surprising things might be prevented, if television stories give an indication of what may happen in this type of case. The questions continue:

By Mr. Jacobs:

Q. How many beds were in the room?
A. Only one bed.
Q. You stated they were both lying there naked; what were they doing?
A. Well, actually I think they were looking at T.V.
Q. And after that did you and Mr. Paquette drive Mr. Vermette home?
A. We did, sir. When they registered it was 6.45 p.m. and I left Mr. Paquette there and I went and got Mr. Vermette at his home at St. Jerome.

By the Chairman (Senator Roebuck):

Q. Did you see any clothes around the premises?
A. Yes, a woman's clothing, underwear, were on the bench at the foot of the bed. The other thing, the two of them were not lying with their heads at the head of the bed, the two of them had their heads at the foot of the bed.

An hon. Member: What difference does it make?

Mr. Peters: A great deal of difference. That is the only way in which they could watch television because the television set obviously was at the foot of the bed. This question was asked by the chairman of the committee of the other place:

> Q. So that they could see the television?
> A. Yes; and the man's underclothing were on the chair to the right as you entered.

Mr. Chairman, it surprises me that this should constitute adultery. We know that there are many people in Canada who run around with their clothes off quite a bit of the time in nudist camps, when the weather is warm enough; and I have heard that they are as moral places as there are in existence. It may be quite natural to run around disrobed in that circumstance. It may be very comfortable to run around in motels with no clothes on and to watch television. I do not think that in either case we have proof that adultery took place. I can point out by Mr. Powers exactly what adultery involves.

The Deputy Chairman: Order. I must inform the hon. member that his time has expired. I recognize the hon. member for Skeena.

Some hon. Members: Carried.

Mr. Howard: Mr. Chairman, I do not have the giggling Gertie approach to these things that some hon. members seem to have.

The Deputy Chairman: Order. I would advise hon. members that only one hon. member may have the floor at a time.

Mr. Howard: What I should like to do first, Mr. Chairman, is to pose to you a question and ask for your guidance on your approach to it. It relates to children. This is something new that has arisen. I know the rulings you have made on many occasions in the past to the effect that we should not discuss—and have no authority and no right to do so—the maintenance of children and their welfare or anything of that nature. You know, of course, that even though that is the rule of the house, we disagree with it from time to time.

However, I wonder whether you would indicate, for future guidance and for guidance in this case whether reference might be made to the fact that there are children in cases where there are children, in order to prove that the marriage was consummated. This appears to be a key point. If you are going to dissolve a marriage you must determine first whether there was a marriage and, second, whether there was consummation of the marriage; because if there was not consummation, then presumably the approach would be to petition for an annulment. Is it permissible to make reference to the children to the extent of proving their existence both by the petition and by subsequent evidence? Perhaps this is a reason why the members of the other place raise questions with respect to the children. I do not know whether you would like to deal with that question right at the moment or at some later date, Mr. Chairman.

The Deputy Chairman: I think it is quite clear—and that all hon. members of the committee will realize it—that we cannot discuss children at all. The question of whether or not these people were originally married is determined in the evidence given in the other place by documentary proof. The question of having children does not come into the matter.

Mr. Howard: If I may, I would point out that while documentary proof is given, questions are also asked of the witness in order to identify the documentary proof of marriage and to establish that the facts set out in the certificate are correct. However, the question I want to pose is this. If children are born of a marriage, that is obvious proof that the marriage was consummated. It was only to that extent that I was thinking of discussing it. If the marriage was not consummated, then the approach is to petition for annulment and not to petition for divorce.

The Deputy Chairman: Order. The only thing the committee can discuss is the bill which is actually before it, as shown in the preamble, and that is the question of dissolving this marriage. That is all the Chair can allow to be discussed, and nothing else. Anything else is not relevant to the bill.

Mr. Peters: A few moments ago we were discussing the fact that two naked people lying on a bed in a motel room were watching television. Admittedly that is exactly what they were doing. While the lawyer suggested there may have been other things going on as well, he asked what they were doing and the answer was "Well, actually I think they were looking at T.V.". The fact they were running around with no clothes on proves nothing. In fact, certain women in British Columbia have done that as a form of protest, but nobody suggested it implied any type of adultery.

In Kent Power it says:

> There is no doubt, however, that in divorce and other matrimonial causes adultery means sexual intercourse between a married person and a person of the opposite sex other than—

The Deputy Chairman: Order; we are now back to procedure again. I must ask the hon. member to come back to Bill No. SD-49.

Mr. Howard: Mr. Chairman, on the point of order you have raised, I thought it had been cleared up some time before. In the

first part of the bill, in the fifth paragraph of the petition, the petitioner prays for divorce on the ground of adultery and that the marriage be dissolved. What the hon. member for Timiskaming is seeking to do is, I submit, to point out that adultery has not been proved and he is referring to what adultery means. I think that to this extent he should be allowed to continue.

The Deputy Chairman: We cannot allow a discussion about adultery in broad terms, only as it refers to this bill, and that can only be discussed by referring to the evidence.

Mr. Peters: What I am trying to do is to set a definition and reduce it to its limited terms under the bill. The word adultery is quite a definite word and—

The Deputy Chairman: Order. This committee does not have to decide the validity of the definition of adultery. This committee only decides whether or not it will accept this bill.

Mr. Peters: Paragraph 5 of the petition says:

> That your petitioner has ascertained that the respondent, Aurore Belanger, committed adultery on November 24, 1958, in the town of St. Janvier, in the district of Terrebonne, at the Moulin Rouge motel unit 15, with Paul Emile Labelle, who resides at 20-72nd avenue, St. Therese, Quebec.

I suggest that everything in the petition must be relevant to this bill, that this is very much a deciding clause in the bill. I suggest that adultery does not constitute lying naked on a bed watching television. I cannot see any connection between the two. Legal authorities point out what constitutes adultery, and I think they agree with me that it does not constitute lying on a bed watching television. If this chamber's decision is that adultery has been proven by this particular bill, then I suggest we have a new definition in Canada of adultery.

The next witness was Clovis Paquette, aged 43, investigator. He is asked:

> Q. Could you tell the committee where and under what circumstances?

That has reference to where they had met Mrs. Roger Vermette.

> A. In the afternoon Mr. Daigneault and I went to St. Jerome, Quebec, we were parked where we could see 426A address. At 6.05 we saw Mrs. Vermette come out of the place, the house, and she started walking along the street beside her house, she walked about two blocks, and then got on the Noel car, and they met about one street or two, and he stopped at the drug store, and the man walked out of that car and stayed there a few minutes, and got on the car again and proceeded on the highway 11-8. They went about 8 to 10 miles and stopped at Moulin Rouge. After we were positive he was in cabin 15, Mr. Daigneault left from there and he went back to St. Jerome to get Mr. Vermette. He came back around 8.30. After Mr. Daigneault got the key to the motel we went in there with Mr. Vermette.
>
> Q. What did you see?
>
> A. We saw Mr. Paul Emile Labelle with Mrs. Vermette; they were watching the T.V., they were both naked on the bed.
>
> Q. Did you notice any clothes around the room?
>
> A. Yes, her clothing was on the chair, and some on the chair; it was all mixed up. There was an empty bottle of brandy, and 7-Up bottles empty.
>
> Q. Did Mr. Vermette identify her as being his wife?
>
> A. Mr. Daigneault asked him who the woman was, and he said, "That is my wife all right".

Here is a case where the only evidence we have of adultery is two people lying on a bed, not in the bed but on the bed, in a reverse manner with their heads down at the foot of the bed instead at the top of the bed where the pillows are, and they were watching television. It is also surprising that the evidence is not anywhere near the same which the two witnesses give, although they are both highly qualified professionals. The second one throws in a bottle of whisky or brandy and a number of 7-Up bottles. I am surprised that the other one did not notice there were any bottles, but according to the evidence, knowing the type that some of these detectives belong to, I imagine that he did not bother to look around the room at all but was interested in other things. He may have been interested in the particular television program.

In my opinion this is a case which should be given very careful examination and we should give a reassessment to what we consider to be adultery. As Kent Power points out:

> Since it is almost impossible to adduce direct evidence of the act of adultery, its commission—

The Deputy Chairman: Order. It being six o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

COMBINES INVESTIGATION ACT—CRIMINAL CODE

AMENDMENTS RESPECTING MERGERS, MONOPOLIES, ETC.

The house resumed consideration of the motion of Mr. Fulton for the second reading of Bill No. C-58, to amend the Combines Investigation Act and the Criminal Code.

The Acting Speaker (Mr. Rae): At eight o'clock the house will resume the business interrupted at five o'clock.

At six o'clock the house took recess.

Combines Investigation Act

AFTER RECESS

The house resumed at 8 p.m.

Mr. Crestohl: Mr. Speaker, at the adjournment of the debate at five o'clock I was talking about the various attitudes that the government party and the official opposition adopted in the past in dealing with the subject of and legislating upon combines, the Combines Investigation Act, mergers and trusts. I stated that there were divergent views, each party treating these questions in accordance with their political philosophy and thinking.

In this connection may I point out that so long as Sir Robert Borden was in power there were no anti-combines investigations at all. There were no prosecutions despite the fact that there was an effective law on the statute books. The Conservative philosophy in this regard throughout the years and especially in the period between 1910 and 1937 was, interestingly enough, revealed by the Right Hon. Arthur Meighen, a former Conservative leader, when speaking in the other place and when as reported at page 525 of the Senate *Hansard,* he used these words:

> We struggled so much to legitimize combines that we exceeded the constitution.

That is a frank and honest statement by a responsible and reputable leader who did not hesitate to express his point of view. In colloquial language I would say that the hon. gentleman certainly pulled no punches in expressing his views and those of the Conservative party in relation to combines.

A perfect illustration of the Conservative party's desire to protect combines over the years is to be found in a piece of legislation enacted by the Bennett government in 1935. A clause was introduced into that legislation by the government of the day which virtually made the existing anti-combines laws impotent. This is how it was done. The clause provided that all the evidence acquired in an investigation as to whether a combine existed or did not exist and all the information and material accumulated by the investigators were inadmissible in an open court. That was the effect of the provision. I submit that no combine could be successfully prosecuted without the evidence obtained for the director by the investigators to enable him to decide whether or not there should be a prosecution.

Perhaps the house would permit me to give an analogy. Assume that our security police were on the trail of a spy or a spy ring following a major crime and had accumulated information and evidence on which a prosecution could be based. How frustrating it would be if they found there was a law which prohibited the production in court of all the evidence and material acquired in the course of their investigation. That was the effect of the amendments to the legislation in 1935. This ingenious pro-combine enactment by the Bennett government was later declared ultra vires by the courts and sanity and effectiveness were again restored to the Combines Investigation Act by the Liberal government.

I was not impressed by the undue concern which the minister in his remarks expressed for the small storekeeper when he said that we should protect the maximum number of small storekeepers. Of course we should. No one would disagree with that statement. I should like to point out to the minister and the house that this was only one of the ways by which the minister sought to justify resale price maintenance. In this way the minister directly helps stifle free and competitive trade. That is certainly not beneficial to the great buying public. To do so would be to enact a law that would not provide the maximum good for the maximum number. I see it only as a form of crocodile tears which the minister sheds for the small storekeepers. It is nothing less than an indirect way of helping maintain prices dictated by manufacturers. The small storekeeper has not the means of meeting competition. He must obtain his merchandise from the manufacturer. He is the one who will be compelled to maintain the prices that are fixed and dictated by the manufacturer.

I wish now to say a few words about some of the escape clauses in the bill. While not referring to any particular clause I wish to address myself to those escape clauses which provide a good defence to a prosecution. In a new provision in the bill an escape or a good defence against the prosecution is possible if the combine exists for the purpose of (a) an exchange of statistics, (b) defining product standards, (c) an exchange of credit information, (d) definition of trade terms, (e) co-operation in research and development, (f) restriction of advertising, and (g) some other matter not enumerated in subsection (3). Surely (g) is a very peculiar provision. This is the first time that I have ever encountered such a clause that outlines the things that provide a proper defence to a prosecution. There is also some other matter not enumerated in subsection (3). I should like to ask the minister where he has seen a clause of a similar nature? Can the minister tell the house what the clause refers to when it speaks of a probable defence for some other matter which is not enumerated in subsection (3)? I would be interested in hearing from the minister if he would care to answer the question now.

Mr. Fulton: I will be glad to answer it when I close the debate.

Mr. Crestohl: Thank you very much. Once we realize that there are six or seven means by which industry can form a combine—and certainly they run the whole gamut there—I put this question to the house: What else, short of an open agreement on prices, can there be to make such a complete combine? That seems to me to be the only thing that was omitted. All these things which the combine is permitted to do certainly will produce profit for the members of the combine. Certainly, more efficiency, reduction of cost of operation, will certainly create more profits and, of course, we all know that there is no altruism in business, especially in big business. Altruism in business would clash with big dividends, and I am sure the minister does not think that parliament is so naive as to think otherwise. This whole new clause—and it is a completely new section—clearly permits the establishment of a combine and peculiarly enough a closed combine, because the clause does not state that everyone in that particular business or industry can have membership in the combine or can enjoy the benefit of this joint activity. Will they at any time be compelled to take in new members, or does everyone in the industry have a right by law to be accepted in the combine so that they may benefit from all those economies which the minister states the combine can perform?

As I see it, those economies can be enjoyed only by members of the combine. All others in that same industry will be prejudiced by not having the benefits that their competitors have. There is no such section in the law, as I see it, that makes membership in such a combine available to everyone in that industry or, assuming that the combine has been created and new people come into the industry, who take up location and establish a similar industry, that they will be able to enjoy the benefits which their competitors enjoy unless the bill contains a clause which will keep such a combine open to everyone in the industry or compel it to accept new members. I say that the absence of such a section in the law would create an unfair situation and to some extent sanction illegal combines.

There are other clauses in the bill which provide other types of escape clauses. I refer to new clauses, although I do not name them by number. There is, for example, a new term that I see for the first time. It speaks of substantially lessening competition. Apparently, it is permissible to lessen competition. Certainly that is an invasion of the combines investigation laws. Apparently competition can be lessened but that by itself is not an offence. We find that it becomes an offence when competition has been substantially lessened. By whom, and how will "substantially" be interpreted.

Mr. Fulton: Is the hon. member not reading from last year's bill?

Mr. Crestohl: No, certainly not.

Mr. Fulton: Perhaps the hon. member will give me his reference so I can follow him and deal with the point when I reply.

Mr. Crestohl: I am referring to section 33A(c) and to subsection 33B(1). I will read it for the minister if he wishes:

> Every one engaged in a business who (b) engages in a policy of selling articles in any area of Canada at prices lower than those exacted by him elsewhere in Canada, having or designed to have the effect or tendency of substantially lessening competition—

Mr. Fulton: This, of course, does not refer to combinations.

Mr. Crestohl: No; it refers to retail price maintenance.

Mr. Fulton: Oh, no; I will explain when I reply.

Mr. Crestohl: When the minister speaks he can explain when the offence is one that has for its effect substantially lessening competition.

Mr. Fulton: If my hon. friend will permit me I will explain this in full later. But may I point out now that these words are found in the present provision of the law, and if my hon. friend objects to them I think he should have objected to them when his own government was in office.

Mr. Crestohl: I am afraid I did not quite hear that.

Mr. Fulton: No, I expect you did not want to.

Mr. Crestohl: I beg your pardon. Will the minister please repeat that?

Mr. Fulton: If my hon. friend will look at the explanatory note opposite section 33A, he will see the following:

> The proposed section 33A is section 412 of the Criminal Code, strengthened by the insertion of the words "or tendency" in paragraphs (b) and (c) of subsection (1).

The words "substantially lessening" have been in the law for many years.

Mr. Crestohl: We have heard similar statements that it has been in the law for many years. Surely the minister does not pretend that if something has been in the law for many years, and perhaps has not been challenged that it is good law?

Mr. Fulton: No. All I am objecting to is my hon. friend's suggestion that I was inserting escape hatches.

Mr. Crestohl: Well, let us go on to the next avenue of escape.

Some hon. Members: Oh, oh.

Mr. Crestohl: It is there, notwithstanding the laughter of the minister and the members. The laughter certainly does not explain satisfactorily the avenue of escape for a combination under the combines act or from retail price maintenance.

Then, Mr. Speaker, we have in the section the words "materially misleading". This, as I say, is a new term. I do not know whether the minister will find a spot where it existed before and thereby seek to justify it on that ground rather than on the ground of good, sound law. It is permissible to mislead, apparently, but it is not permissible to materially mislead. When will misleading be material, or when will it not be material, and who will decide that? I mention these facts merely to emphasize that these amendments are being made not for the purpose of enlightening, explaining or assisting to understand the law but for the purpose of confusing it.

There is also a section which uses the language, "an inference unfavourable to the accused." Who or what will make it an inference? Who will decide that? Who will judge whether it is an inference and who will judge whether it is an inference and who makes it unfavourable? This is merely another provision which, while I do not say it was intentionally inserted in the bill for this purpose, certainly does not help to enlighten but rather confuses.

The words "reasonably expect" are also used, and in the context of the provision this is merely an attempt to read another person's mind.

Mr. Fulton: Would you rather have the word "unreasonably"?

Mr. Crestohl: Also the words "unfairly disparaging" are used. When is it unfair? When will it be unfair? Who will judge it as being unfair and when will it be disparaging? I say there are other similarly confusing and unclear expressions used in the bill which we hope we will be able to deal with in detail more vigorously in the committee stage.

Then I also find, Mr. Speaker, that there appears to be an axiety in the proposed bill to justify a defence against a breach of the Combines Investigation Act on the grounds that the apparent breach of the law was for objectives or motives that are commendable. I am now referring to the six grounds of defence. It would seem that a defence is possible when the breach of the act is for purposes which may be considered commendable. The question is, commendable to whom? Is it commendable to the public or is it commendable to the members of the combine? I submit that this is an unsound principle in law when dealing with combines. This has been clearly established in a judgment of the Supreme Court of Canada in the matter of the fine papers case, to which an hon. member referred earlier today. The judgment was rendered in 1957 and I should like to read a brief paragraph from the judgment of Mr. Justice Taschereau who deals with the point in a direct way. He said:

> The public is entitled to the benefit of free competition, and the prohibitions of the act cannot be evaded by good motives. Whether they be innocent and even commendable, they cannot alter the true character of the combine which the law forbids, and the wish to accomplish desirable purposes constitutes no defence and will not condone the undue restraint, which is the elimination of the free domestic market.

I should like to say a word now concerning the sections of the Criminal Code which are, for the reasons explained by the minister and which I certainly do not accept—

Mr. Fulton: Your leader did.

Mr. Crestohl: —being transferred to the Combines Investigation Act.

Mr. Fulton: May I ask the hon. member a question? Is he aware that his leader accepted those reasons?

Mr. Crestohl: Pardon?

Mr. Fulton: Is he aware that his leader accepted those reasons?

Mr. Crestohl: Yes, I heard the statement.

Mr. Fulton: I just wanted to know where the Liberal party stood on this bill.

Mr. McIlraith: Why don't you be quiet and listen?

Mr. Crestohl: The party stands united on the bill. I should like to have the minister explain to the house and the country the reason for transferring sections 411, 412 and 416 from the Criminal Code to the act. To me it appears that it is being done because it would be dangerous to add to the criminal law of Canada the avenues of escape which are provided in the bill. I think it would be a very dangerous practice indeed to amend the Criminal Code in such a way as to provide defences. That would be a novel piece of legislation. It could not be done and should not be done to the Criminal Code of Canada.

In general, the sections in the Criminal Code are brief, concise and clear, and its very economy is to block loopholes and avenues

of escape by avoiding doubt and ambiguity. The bill before us creates doubt and ambiguity, and so it is apparently considered wiser to transfer the sections in the code to the act rather than to amend the Criminal Code for that purpose. I say that is a most injudicious thing for any government to do. It is tampering with the criminal law of the land for political or party purposes.

Some hon. Members: Shame.

Mr. Crestohl: That is dangerous. Yes, it is a shame.

Mr. Nesbitt: That is the kind of thing your party would do.

Mr. Crestohl: I beg your pardon? Will the hon. member say when and where? He cannot say. He just opens his mouth and expects something to come out.

Mr. Thrasher: He does not read.

Mr. Fulton: Because of the sincerity of the hon. gentleman's feelings, perhaps I could ask him another question.

Some hon. Members: Order.

Mr. Fulton: I have asked if I may ask a question.

Mr. Crestohl: When I am through. That is what the minister preferred to do. I submit, Mr. Speaker, that it is a crime whether the control of industry or production or the sale of products is accomplished by means of a combine, a trust, a monopoly or a cartel. These are crimes and they are what the Combines Investigation Act seeks to prevent. They should be dealt with as crimes under the criminal law of the land and not by way of amendments to a statute which are replete with inconsistencies and set up doubts that under our law must favour offenders against the Combines Investigation Act.

The legislation should be clear and capable of certain and immediate application. This bill does exactly the reverse. It is extremely difficult to interpret, understand and apply. I have the sad feeling that this is the main objective of the bill.

(Translation):

Mr. Alexis Caron (Hull): Mr. Speaker, I was slow in rising because I thought our friends opposite would have something to reply to what has been said up to now, but in view of the situation, I shall take part in the debate immediately instead of waiting until later on.

May I say at this early point that the resolution introduced by the Minister of Justice (Mr. Fulton), to amend the Combines Investigation Act, is certainly not a model of clarity.

What principle underlies this ambiguity? The purpose of the bill does not seem to be to protect the consumer or the corner grocery.

Last night the Leader of the Opposition (Mr. Pearson) pointed out to the minister that he had all but forgotten to mention the protection that should be given to the consumer.

Instantly the minister jumped to his feet to say that the Leader of the Opposition had not listened too well to what he had been saying.

I made an effort today to read the speech through—this was no slight task either—and I have noted that the minister makes only two references to the consumer.

The following sentence is to be found on page 4348 of *Hansard*:

> The first is how to get at this situation and find an effective method of dealing with it without doing the consumer ... a disservice ...

The second reference appears in the second column of the same page:

> —practices which confer no lasting benefit on the consumer.

In his whole speech, which lasted an hour and a half, the minister managed to devote only two sentences to the consumer. Yet, if there is one group that is entitled to some protection, it is surely the consumer, even more than the dealer. It is generally the consumer who suffers when a piece of poor legislation is passed. It is not generally the dealer.

The first part of this bill, which is said to deal with monopolies, combines and mergers, apparently does not fulfil its purpose, because it opens up new possibilities to profiteers. I must point out, incidentally, that the validity of our legislation was always maintained whenever it came up before the supreme court.

On the other hand, looking at the second part of this bill, the part which deals particularly with misleading advertising and price fixing, we find that the Conservative party has come back in a round-about way to the minister's pet ideas.

I think the lack of clarity is intentional, because I would not do the Minister of Justice the affront of saying he has a confused mind.

In fact, despite its outward look of uprightness it does raise some typically Conservative dangers, of which we have been aware all along.

I realize this bill will be welcome by some people, those who will feel more at ease in their underhand practices to increase their profits, without any risk of being involved in a criminal offence under the law.

These amendments, in fact, are in line with the policy and philosophy of the Conservative party. Apparently, those hon. gentleman think that in order to ensure a permanent prosperity, you have to start from the top, that is, first see that the manufacturer, and the big businessman are prosperous, and when those people or corporations have accumulated enough pelf, they will let their surplus drop like a gentle rain upon the people at large.

You will allow me to have my doubts about it all, Mr. Speaker. When those people accumulate, they always find scores of ways of ploughing back their surplus into company expansion, so that it takes quite some time before the surplus reaches the masses. This bill was conceived with a similar purpose, that is, protection of the big, the strong, the powerful in the country; the others do not matter.

Mr. Speaker, like the press and various people in this country I was surprised by one thing: I mean the reason for which the Minister of Justice did not again introduce the bill he submitted to the house last year. Oh, he will probably tell me that, in the light of representations made to him, he thought it his duty to amend it. If the minister wants to change laws every time representations are made by certain groups, he will never see the end of it, and all our statutes will have to be revised. The minister should know by now that you can't please everybody.

The act which is now in force has always operated well, and each time a judgment has been rendered by a provincial court, indicting a corporation or a group of individuals, the supreme court has always upheld it. Therefore, if things have gone well, following careful inquiries made by the commission, and if the government has succeeded in securing convictions against operators of combines, I wonder for what particular reason, other than those outlined by the Leader of the Opposition and by the hon. member who has just resumed his seat, this act should be amended. As I said earlier, I think it is only a reversion to the principles of the Conservatives who, in the past, have been accusing us of unfair interference in the commercial field. Besides, the Minister of Justice said yesterday that it was as a result of public pressure, in 1889, that the first combines act was adopted. It was an amendment to the Criminal Code, into which section 498, now section 411, was inserted. It was really not anti-combine legislation; it was simply a section of the Criminal Code which made it possible, if necessary, to condemn those who went too far. But there was no organization which would provide for research, studies, and inquiries the result of which would be submitted to the court. As a matter of fact ten cases occurred between 1889 and 1900, and six were dismissed. That is to say that the legislation was not clear; that it was vague and had a few flaws. Later on, in 1900, under Sir Wilfrid Laurier, parliament amended the legislation by eliminating the word "illegally", which seems to have caused all the trouble. But when Mr. Mackenzie King, an outstanding economist, entered the Laurier cabinet as minister of labour, he worked out a bill on combines which seemed to cover everything and established the position somewhat better, so that inquiries could be carried out, that a commission could be responsible for their carrying out, in order to go to the root of the evil and to facilitate the good operation of that commission. That act, clear and specific, was enacted to protect both the small merchants and the public against operators of combines. Following the adoption of that act, price competition was recognized in a specific way. The Liberal party has always believed that fair competition should not be curtailed; it has always tried vigorously and successfully to supervise the operations of combines already in existence or in the process of organization, and it has always been through our courts that the law has been enforced. If, at times, discretionary powers were conferred upon ministers, those powers were merely complimentary, and did not replace the courts.

Mr. Speaker, we are not surprised at the present intervention. Every time the Conservative party came into power, it attempted by means of formulas that were sometimes very clever, to ease the application of the Combines Investigation Act introduced by the Liberal party.

The amendment now under consideration, if the minister sees fit to make use of it, might favour big companies, and goodness knows they do not need help from anyone. They are powerful enough.

We, Liberals, are proud of this act which led to the detection, prosecution and conviction of those who conspired at the expense of small businessmen.

From 1925 to 1957, 35 companies were prosecuted and convicted for breach of the Combines Investigation Act; they paid fines exceeding $1,600,000. Moreover, in 1957, when the Conservatives came into power, 21 cases were still under review. We have not heard much about them since then.

Mr. Speaker, I said that every time the Conservatives came into power they tried to do away with the combines act by making it inoperative.

From 1911 to 1921, during the term of Sir Robert Borden who, in 1910, had criticized and ridiculed the bill submitted by Mr. Mackenzie King, contending that it was uncalled-for interference in the field of business, no case was tried under the combines act. Sir Robert Borden was against the act, and would not enforce it. Anything went in those days of easy-does-it policy. And the Minister of Justice remarked yesterday: "We are thus abiding by the policy which was always followed by the Conservatives".

The minister also stated that the Conservatives had been accused of opposing the combines act and that this was untrue; he said the Conservatives had always been in favour of a combines act that was fair and could achieve its purpose. And yet, Sir Robert Borden, a Conservative leader whom the present Minister of Justice could not support, being too young, but whom his father has certainly supported, has expressed his opposition to the combines act, not only by ignoring it for nine years, but also by omitting any reference to it in his speeches.

In 1919, Sir Robert Borden's successor, the Right Hon. Arthur Meighen, set aside the combines act to replace it by two acts, that is, the Board of Commerce Act, and the Fair Prices Acts.

Those bills were intended to set up a federal board empowered—please note the spirit—to sanction price fixing. In short, it was supervising combines, not eliminating them. Besides, those two acts have been ruled ultra vires by our courts of justice, therefore unconstitutional.

And you will see Mr. Speaker, that a little later, Sir Robert Borden complained bitterly about it.

Following the return to power of the Liberals in 1923, a new combines bill was placed on the order paper. The improved bill was introduced by Mackenzie King against heavy opposition from the Conservatives, who said the bill represented unjustified and unwarranted interference in the field of business.

You will recognize, Mr. Speaker, that it took much more courage to introduce such a bill in 1923 than it does today for the Minister of Justice to submit his amendments, because in 1923, the Liberals had no absolute majority in parliament, whereas today, the Minister of Justice can rely on a heavy and servile majority.

In 1925, the 1923 legislation passed its first legal test with flying colours.

In 1930, after the Conservatives had been elected to office, the act again came under attack. Mr. Bennett, then prime minister, refused to publish reports submitted by Mr. Fred McGregor, registrar of the combines act. And the Minister of Justice said yesterday that he was following the same policy as the Conservatives have always followed.

Furthermore, every facility was then refused the McGregor commission, in order to hamper its work. No action was taken, despite the unpublished reports to the effect that the public was being victimized by the illegal and unfair practices of some companies.

If that is the minister's so-called effort to abide by the combines act and Conservative policy, well let him go right ahead and let the voting public be his judge in due course.

In 1935 the Bennett government passed legislation aimed at demolishing the combines act by placing the whole of it under the control of Mr. George Sedgwick, president of the tariff board, and that was another piece of Conservative legislation which was ruled ultra vires by the courts.

It seems to me, Mr. Speaker, that each time the Conservatives introduce a bill—there is no doubt they have brilliant lawyers among them—they always introduce it in such a way that the courts will reject it, so they can say later: "It is not our fault; blame the courts." Well, if the bill they introduced had been well planned, I am sure that the courts would have maintained it just as they maintained the anti-combines acts adopted by the Liberal party.

After the Liberals returned to power in 1936, they rebuilt, under the leadership of Mr. Mackenzie King, an anti-combines act that stood the test of time to the general satisfaction. But, in that year, the act was not

accepted by the Senate. In fact, the Senate, with a Conservative majority, did not let the bill go through. It was then that our friend, the Right Hon. Arthur Meighen, former prime minister of Canada and Conservative leader, said—an assertion nobody denied—in explanation of the opposition he was leading in the Senate against the combines act, as found at page 525 of the English text of the Senate *Hansard* of 1936:

We...

And this word "We" meant the Conservatives:

(Text):

We struggled so much to legitimize combines that we exceeded the constitution.

(Translation):

That was a statement made by a former leader of the Conservative party, a former prime minister, who said: "We struggled so much to legitimize combines that we exceeded the constitution".

Is that what the minister means when he says he will follow the policy that was always followed by the Conservatives?

The bill he has now introduced is again devised so as to take the teeth out of a piece of Liberal legislation.

In 1951-52, important amendments were introduced to give effect to the MacQuarrie report. Again the Conservatives fought those amendments tooth and nail, and among their main speakers, there was the present Minister of Justice (Mr. Fulton), the present Prime Minister (Mr. Diefenbaker), the present Minister of Finance (Mr. Fleming), the present Minister of Transport (Mr. Hees), the present Minister of Trade and Commerce (Mr. Churchill)—the most misquoted minister of the cabinet—the present Minister of Citizenship and Immigration (Mrs. Fairclough), the present Minister of National Revenue (Mr. Nowlan), the present Minister of Veterans Affairs (Mr. Brooks), and the hon. member for Greenwood (Mr. Macdonnell), a former minister without portfolio. Discussion of the bill lasted six days. In other words, the Conservatives fought for at least six days against the amendments introduced in 1951-52. And they did not just make speeches, oh no. The present Minister of Justice in 1951, suggested a six months' hoist; the leader of the C.C.F. had moved an amendment "for public control of resale price maintenance", and the present Minister of Citizenship and Immigration moved an amendment to Mr. Coldwell's proposal. Mr. Drew, then Conservative leader suggested that the consideration of the bill be deferred until the supreme court had ruled on the constitutional validity of the act.

Amendments were put forward to keep the discussion going and to stretch out the debate against the proposed piece of legislation.

And when it came to the third reading, Mr. Drew, the Conservative leader—therefore leader of the present Minister of Justice—again suggested a six months' hoist. Everyone knows that this means killing the bill. Indeed, even in the current discussion—to which the present Minister of Justice has contributed at some length—he said this, as recorded on page 2110 and 2111 of *Hansard* for 1951:

(Text):

Yet it is positively a dangerous and improper piece of legislation to be enacting now because of the threat it presents to the existence and welfare of the small independent retailer.

...it will accomplish nothing more effective than to increase the power and competitive advantages of the large chain and department stores at the expense of the small retailers.

(Translation):

It was thrilling to hear the minister say such fine words, as if he did not know that chain stores are better able to defend themselves than the small retailer. Chain stores, with a capital of several million dollars, can profusely advertise on television and the radio, as well as in the press. They have the capital to do so. Could they not thus more easily come into conflict with the law than if the small retailer is allowed to use his goods for publicity purposes?

Indeed, I recall that when I was working in my father's store, in the off-season of the year, that is, in January and February, as well as in July and August—goods had to be offered at a lower price to attract customers and get the necessary money to stay in business and pay the employees' wages. That was a necessity. And in the ladies wear trade, it is well known that if the businessman does not get rid of his stock in less than a month's time, he is sure to have it on his hands for another season. Now, as fashion changes frequently, he often has to sell his goods at half price, thus losing money.

That is what the minister wanted to uphold; he wanted to deny those people the right to put on such sales. Now, we, in the Liberal party, are opposed to that. We say that such practice

legitimately giving a man the right to think for himself and by himself in his own business set-up, without disturbing his neighbour, must be maintained. And the minister stated, as recorded on page 2116:

(Text):

The next consideration is that we have no positive evidence that price maintenance has a harmful effect on the consumer with respect to prices.

(Translation):

Mr. Speaker, that is what he says, but he has no evidence to that effect; it is a mere statement that has to be taken at its face value. Besides, I will show in a moment that those are not the views held by experts.

And, according to page 2117, he is reported to have said:

(Text):

—such evidence as we have not only fails to establish that price maintenance has an adverse effect upon the consumer with regard to prices, or an adverse physical effect upon prices; but that there is evidence that establishes quite conclusively that it will have little or no effect in reducing the cost of living, if outlawed; . . .

—we are in no position to determine whether or not it hurts the consumer.

(Translation):

You see, a moment ago he was saying: that has no effect whatever on trade; and now, here, he says that there is no evidence that this may have an effect on trade. Well, he should agree with himself if he does not agree with others; and he should find out whether that may have an effect or not.

According to page 2126, he is recorded to have said:

(Text):

The evidence before us shows that, though there is a restriction on competition in one way, that is vertically, in effect there is created a greater and more effective competition between manufacturers and retailers of competing lines.

(Translation):

There is a lot more I could quote, Mr. Speaker, were I not running short of time. Let me add only this. Section 4 of the famous MacQuarrie report states on page 79 of the French version:

Although precise information is lacking, there is some evidence that resale price maintenance contributes to price stability but that the general level of prices, thus stabilized, is higher than it would be under competitive conditions and production more unstable.

Those words are to be found in the MacQuarrie report, the very report quoted by the Minister of Justice. Farther on, concerning an investigation made by Mr. Oxenfeldt, the following statement is to be found:

. . . when resale price maintenance became effective, it forced chain stores to increase their prices, while individual drug stores, on the average, showed price reductions which, however, varied considerably with the size of stores, and, for all independent store groups, the percentage decreases shown were much less than the percentage increases made by chain stores.

Those were the findings. They brought about price increases and the public and the consumer had to foot the bill.

The following is to be found under section 2:

The price increases were greatest in large cities and in large stores.

And farther down:

. . . the stores that reduced their prices . . . were not the stores that had been charging the highest prices: The reduction in the price spread was accomplished through compulsory increase from the lowest previous price.

You have there research carried out by serious economists who knew their business, and that investigation on price maintenance legislation was made not only in the United States but throughout the world. Having completed such a thorough investigation, the same economists gave evidence before the commissions, to the effect that price maintenance brings about price increases, which in turn are borne by the consumer and give rise to inflation. And this is exactly what this government is trying to do through this bill. The present Minister of Finance expressed the same opinion and the present Minister of Citizenship and Immigration said in 1951, as shown on page 2167 of *Hansard*:

(Text):

We will undoubtedly have a raid on name brands. We will have a race for the lowest price . . . I contend that this legislation is a blind . . .

(Translation):

And now, Mr. Speaker, it is a fact that, when speaking of a "raid on name brands" we actually refer to those we have seen. And who is doing this? The large corporations are. For instance, the large corporations are asking coffee firms to package a special brand for them. It is exactly the same product as the others are getting but they sell it 10 cents cheaper, while the small retailer may not reduce the price of a known brand without running the risk of the producer refusing to sell it to him.

To my mind, such practice is immoral and unfair. And the Minister of Justice should have thought twice before introducing his amendment. The Minister of Transport said the same thing, and so did the Minister of Trade and Commerce.

It can be easily seen that the greatest worry of the Conservatives is to oppose special prices, for advertising purposes, which

benefit the people at large. But what is being done today aims at the same purpose by indirect means.

When pretending that this practice is detrimental to small retailers, they fail to consider that the larger establishments, the chain stores, have had their own packaging made that they can sell at a better price, thus attracting customers at the expense of the small shopkeeper.

In 1951, amendments were submitted to a joint committee of the Senate and the House of Commons, and the Minister of Justice stated last night that amendments introduced in 1951 and 1952, had been passed in a hurry. Now, the MacQuarrie commission, which was appointed in 1950, seriously delved into the matter. After having submitted its report, a joint committee of both houses was formed in order to reconsider the matter. And it was only after passing all these tests, that the bill was introduced in a practical form in this house by the Liberal party. However, at the time, it was criticized by the present Minister of Justice who was formerly the official critic for the opposition.

As the Leader of the Opposition said, we see a real danger in the definitions under section 32, because they are conceived in such a way as to allow, by devious means, what the present act prohibits. Many a thing can be accomplished by an exchange of statistics; by a definition of standards for various products; by an exchange of information on credits. And that is an entirely unfair and immoral thing. They even go as far as to set up what is called a "black list" for certain people who for some reason refused to pay their accounts. They are dragged into court because they are on the list of those considered to be in bad standing, and that is where human conscience is being tampered with, because, being black listed, they are prevented from receiving certain products from particular manufacturers.

Then, there is the definition of terms with regard to trade; there is co-operation in the field of research and development; restriction of publicity and, finally, everything that is not mentioned under paragraph 3. This act is really planned to be bad. And the Minister of Justice, being a lawyer, knows quite well that not a court in the world would accept such an ill drafted and incomprehensible text as this: "All that is not enumerated in subsection 3". This is actually the draft that was recommended in 1950 by the Canadian Manufacturers' Association, and which was opposed by the Liberal party; and it is Conservative government, which seemingly to help the small businessmen, serves the purposes of the Canadian Manufacturers' Association.

On this matter, here is what Mr. Myron W. Watkins had to say in "Monopoly and Free Enterprise".

(Text):

Trade associations frequently engage in a variety of activities some of which are perhaps innocent or even wholesome when considered separately but which together tend to curb competition and restrain trade. Standardization of products and cost accounting methods, for example, may eliminate waste and lower costs, but it also helps ensure uniform prices among trade rivals. Exchange of information on the credit of customers may help reduce bad debts, but it may also serve as a basis for boycotting "undesirable" customers. Statistical reporting on prices, output, sales, shipment, stocks and the like may aid producers in independently formulating sound price and production policies, but it may also afford a basis for a tacit understanding to stabilize prices and curtail output.

(Translation):

And I could quote even more if time permitted. It is clearly established by economists themselves that the theories enunciated yesterday and in 1951 by the present Minister of Justice, as well as those enunciated by Mr. Bennett and Mr. Meighen, were false and had no value in the face of facts. And if we consider them in the light of the facts, they fall of themselves.

Mr. Speaker, what a situation it will create for our judges. As in the past, they will have to determine the existence of an agreement and of the degree of control, but furthermore, when agreements are related to certain things like the exchange of statistics, the definition of products standards, etc., how do you expect our judges who are probably legal lights but not economists, and who do not have certain agencies available to them to investigate and find out exactly what there is in this or that matter, to be able to pass judgments in such cases and in such conditions? I suggest that the minister, since he is a lawyer, should have known the difficulty in which he was placing the judges.

If we compare the new clause 12, section 31 of the act, with clause 17(4), we note that too extensive discretionary powers are given to the Attorney General of Canada. He will be able to prosecute as he pleases under criminal or common law. What is dangerous for a politician would not be so for a statesman. How many statesmen are there in the present government?

Far from me the thought that the present Minister of Justice would use his powers in one way for party friends and in another way for opponents. Nevertheless, I should like to keep him away from temptation. More

than any other he knows that Christ said: "The spirit is willing but the flesh is weak".

It might be said that he has principles and is well-intentioned, but let us not forget either the saying: "The road to hell is paved with good intentions".

I should not want to see the minister reduced to that. I should like him to wake up in order to hear clearly the judgment that is being passed on his legislation, so that he will not find himself in an inferior situation under the pressures exerted by politicians, by party supporters, by interested parties. In spite of all his good intentions, in spite of his honesty, the minister finds himself in an awkward situation brought about by himself, and that should not be.

Instead, he should do as in the past, when the chairman of the royal commission was instructed to make investigations, to offer suggestions to the government, and to submit a report that was brought before the house and made available to government as well as opposition members.

He would thus be protected, as he would realize that the opposition is watching him closely. But, as things stand, the opposition is unable to keep a close watch over his actions, for he is the only one responsible for decisions to be taken at the civil or at the criminal level. The danger lies in the fact that he is sole judge in the matter.

He can bring in indictments through informers who supply information to the minister and he is then in a position to use his discretionary power.

Now, if you look at section 5 closely you find that matters are even worse. Six informers can demand an investigation. Do you realize what that means, Mr. Speaker?

Is it not possible for a large chain store to direct six of its employees to act as informers against another chain store, and is it not possible for the latter to do the same against some other such store? It is so easy, when a law is so made up that it may apply upon mere information, whether it be justified or not.

I submit, Mr. Speaker, that this bill is bad, that we cannot accept it, that the government has no right to present the Canadian people with legislation thus constructed.

Mr. Speaker, I regret, but I have to go on to another item, since my time is limited. As regards the offence, here is what we find in the bill:

Where the offence is with respect to a merger or monopoly—

The minister forgot to define what should be understood by a merger; in fact, there may be several kinds of mergers. Some are bad and some are good; some are necessary and some are dangerous.

Here is an example of a necessary merger.

It will be recalled that around 1920, the Banque Nationale found itself in serious financial trouble, while the Banque d'Hochelaga also experienced some difficulties, though to a lesser degree. So the Quebec government forced a merger of the two banks under the name of Banque Canadienne Nationale; the government guaranteed a $25 million loan, and thus protected the depositors and shareholders, both large and small. Today, the Banque Canadienne Nationale is a strong institution and compares favourably with any other bank, precisely because of that merger and of the Quebec government's backing.

The Banque Canadienne Nationale was thus a case of necessary merger, and it lead to a very happy result, because it is now a great banking institution, one of the most prosperous in Canada.

That point is not covered in the bill. The bill only refers to mergers. A merger as such is not a bad thing. I think the minister has overlooked that point.

I see that my time is running out, so I shall have to cut short. Let me only say that this legislation is a threat to the general public, that it is inflationary in nature, that it gives the minister too much arbitrary power, and finally that it may lead to serious inequities.

Here is my credo:

I would hope the combines legislation would grant equal opportunities to all, whether big or small. It should grant the small or average businessman the right to buy the products which he resells at a price as favourable as that of his competitors.

The right to buy on a free market products which will be resold on a free market.

The right to fix his prices to meet competition from all quarters.

The right to administer his own business according to his own judgment.

I ask those things for the small businessmen because they alone need the constant protection of the authorities. As for the big,

strong and powerful businessmen they are able to protect themselves and often crush others to increase their profits.

For all those reasons, I will vote against this bill on second reading.

(Text):

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, we believe that this is a bad bill in that it introduces amendments that will further weaken or debilitate an act that is none too effective at the present time.

The minister entertained me, and I am sure he must have entertained other hon. members on this side of the house—I do not know about his own following; they were a little tardy in their ability to applaud but that may not have any significance—with a number of things. One thing that I found very interesting was his predilection to the phrase "Conservative principles" with which he interlarded and interlaced his speech. I could not quite make out from his remarks whether these amendments indicate that the Conservative principles are for the encouragement of big business or for the protection and encouragement of small business. I might say the reason anyone who feels he is a socialist or socialistically inclined has to take an interest in combines because it raises a fundamental question to anyone who considers that the government or the state has to and is bound to, with the trend of the times, play a larger and larger role, not necessarily in enterprise but in the regulatory field.

In talking about the mid-twentieth century and adjusting this act to the times I think the minister has really set the keynote of what we should be speaking about and yet he has done very little to elaborate on just how these amendments fit, and how the wholesale revision that he merely prefigured would fit into the mid-twentieth century.

He dealt with the question of bigness in a most vague and indefinite way. He said the Conservative government—at least this is my paraphrase of it, Mr. Speaker—was not against big business; it did not necessarily believe that big business was good or was necessarily more efficient. Now, we have been fighting a campaign against and for big business, and when I say "we" I mean it has been in the climate of opinion in North America for at least 60 years, the question of big business and whether it is good or bad. It has had a bad reputation among many people, especially just before the first war and during the depression. When the minister talks about the mid-twentieth century one cannot help wonder why he does not face up the situation we have in Canada today—this is even more striking than in the United States, of very huge businesses and corporations getting larger and larger and consolidating and concentrating more and more.

I can illustrate this very well from the economy of my own region which tends to be an isolated one. It is based primarily upon the manufacture of newsprint and various pulp and paper products. We have a large kraft or sulphate mill in Marathon. This was United States capital when it first came in, a relatively small company by United States standards, certainly. It was capitalized near $100 million in its total operation and about two years ago it found difficulties, I believe in raising capital for expansion. The first thing we knew was that our Marathon mill had become part of a much larger framework, one of the mightiest of all corporations in the United States, the American Can Company.

The mill just to the west of that, Long Lac Paper Company, has been part of a large concern, Kimberley-Clark, famous for its manufacture of a product that we all know and use, namely Kleenex. I am not giving it a plug here but I think hon. members all realize from the ubiquitousness of that particular article the scale of the operation that that particular mill and associated woods production fits into.

The next mill along the way once belonged to Brompton. Actually, it got under way just before the second war, in the hands of one of Canada's colourful and most reputable robber barons, Bob Sweezey—I think you will agree with that term—a gentleman who first became mixed up in the Beauharnois scandal and later on in a number of other financial affairs. Brompton Paper Company picked up the Red Rock paper mill when it was broke as a result of the kind of overcapitalization and promotion that happened in pulp and paper companies just before the war. Since then it has moved into the hands of the St. Lawrence Corporation; recently it became part of the managerial enterprise of a man who is very well known, almost a symbol of big business in this country, E. P. Taylor.

Further along the coast, in Fort William, we have a paper mill that has the largest newsprint machines in the world, Great Lakes. It has had a very vigorous kind of expansion recently. At one time it was under the presidency of the hon. member for Dufferin-Simcoe (Mr. Rowe), and we considered it a local enterprise. It had its head office at the lakehead. It still has its head office at the lakehead, but we now know that very

recently it too has moved into this very huge complex of pulp and paper companies that Mr. Taylor has under his control.

To the west we have Dryden Paper, which again started fairly small and has since moved up until it is a very large part of the Anglo-Canadian empire; and so it goes, with almost all of our mills. I almost inadvertently forgot to mention that we have three mills at the lakehead which are controlled by Abitibi Power and Paper Company which was in bankruptcy during the depression and has since fought its way out of it and now has mills in operation across Canada and recently extended its operations into the United States. It is a Canadian goliath.

The point I am making about all these companies and their tendency to grow bigger is that it almost seems inevitable that the trend in this particular field, where such large scale capitalization is necessary, is toward hugeness. I want to underline that in our part of the country we have nothing against these companies because they are big, but I should like to look at some of the consequences of their very bignesses. Some of these companies like Marathon and Ontario Minnesota have as much as 2,000 square miles of forest country. They have literally taken over the field from the small woods operator. Today we no longer have the host of small contractors, or the middling size, who were able to move around and obtain certain areas of wood and exploit them in any way, shape or form. As a matter of fact, we have had a very marked decline in that kind of family enterprise and the situation now is that the pulp and paper companies in their dealings with people who have wood that is not on their own property deal with very small farmers or what we might call bush settlers. From a forest management view this may be good. I think it is worth while knowing that, especially when we look at the combines report of the restrictive trade practices commission in dealing with the subject of pulpwood in certain districts in eastern Canada. This report is an indication of how the small individual farmer or wood cutter is treated, in the face of the kind of combination that this pulp and paper industry can create.

Beyond the fact that we have these very large corporations exploiting the forests, giving us a great deal of employment and, incidentally, providing the very large export value that Canada has, we find them co-operating in a number of ways.

For example, we have one co-operative research program, RC-17, in which the Ontario government, the federal government, Abitibi, Ontario Paper and a whole host of other people and agencies, including the northwestern Ontario timber operators and groups like that, have worked together for research purposes. This is what the minister has indicated he is effecting in the bill. We are at the stage now that if anyone wants to work in the bush in any sort of long term way and with any chance of security of employment and any kind of promotion in the future, to think of doing it himself on his own and through his own resources according to the old traditional idea of the eager entrepreneur is nonsense. It is silly for any young person today to think of founding his own enterprise in the bush. It is almost hopeless. He cannot get capital, he cannot get training, he cannot get experience, he cannot get wood. What he has to do is become part of one of these very large organizations. This is what has happened within the past 20 or 25 years in our major basic industry in that region.

If we look at other aspects of our economy, what are we faced with? We are a major transportation area in Canada. We are the bridge across which everything going east or west has to move. What do we find there? We have two large railroads, the two largest corporations in Canada, I believe, Canadian Pacific and Canadian National, in the transportation field. We have very large air lines such as Trans-Canada providing through service and so far as smaller air line service is concerned we have noted a tendency to consolidate. The Minister of Transport (Mr. Hees) has had protests recently at the opening up of this field to more people who are coming in on a small scale. It has been argued rather effectively that this opening up of the field to other individuals is killing off the people already established in the small air line business.

When the C.P.R. moved into Smith Transport and as the railways developed the piggy-back service what else have we noticed? There has been a marked drop in the number of trucking operators giving through service. The piggy-back service offered by the railways and the moving of the railways into this field of transportation has cut down and is going to continue to cut down markedly the number of truckers in the business. In other words, we are again moving toward greater size and consolidation, toward the requirement of greater capital and a situation where there are fewer and fewer opportunities for the small person to get going and to get anywhere. The trucking association has made very strong protests in various places against this trend of the railways moving into the trucking field. I see that the hon. member for Vancouver-Kingsway (Mr. Browne) is here. He has been a spokesman in this regard.

The irony of the situation is that the railways have no difficulty at all in buying up trucking firms. In other words, despite the ethos that dictates that you should start small and build up a going small enterprise, trucking presidents and managers of firms are quite ready to sell out at an advantageous price, allowing this field to develop into bigger and bigger consolidations around these two pillars of Canadian transport, the C.P.R. and the Canadian National. That is the situation in the two main basic industries.

In our third industry, mining, what do we find. We have a very interesting development north of Port Arthur at Nakina where Anaconda Copper, a colossus in world copper, has given every indication that it is going to move in and spend almost a billion dollars in developing a huge iron ore trench which is anywhere from 40 to 60 miles in scope. It is fantastic to think of a small man or a small operator in that kind of field. The main developed mine that we have in our area, Steep Rock, belongs to the Cyrus Eaton interests and hon. members all know the ramifications of his empire. He has dickerings in Greenland, dickerings in Ungava, relationships with the Russians, relationships with the Germans. It is truly an international organization of great scope and size.

I would not argue that there are not opportunities for young men in such an organization, but in a field such as this, the development of this basic resource that means so much to our area and our country's prosperity, the idea of a role for the small person is nonsensical. More and more we can see that it is a case of immense funds handled by immense and huge corporations.

When you turn to other aspects of mining you find that what might be called the best mine in my constituency, Geco, which has a smart management and a magnificent ore body, was discovered by a couple of very small prospectors. They are getting a good return from it as a result of the deal they made but in effect Geco is an offshoot of Noranda which is one of the largest of all mining outfits in Canada. If any hon. members follow the *Northern Miner* I am sure they are aware that in the years especially since the war there has been a great consolidation in the mining field. Managerial groups have developed and they have made a tremendous contribution in one way in the Red Lake area by taking over mines that were considered dead, putting a lot of money into them, driving these mines to depth and finding and developing large ore bodies. Again the situation in the mining field is like that in the pulp and paper field and in the transportation field. You have larger and larger units with more and more a managerial revolution based on large capital and advanced techniques which is complete in one sense in that the small man no longer has a place except as an employee.

It used to be considered in our part of the country that prospecting was one of the last endeavours where there would always be scope for the individual prospector. We still have some prospectors but in many cases they are disillusioned because in competing against large corporations which can afford to hire aeromagnetic service and send out specialists such as geologists and even assay people with the prospecting party the ordinary small prospector has not much of a chance.

When we look in our region at what has been traditionally a field of opportunity for the small scale concern, the retail business, we see what has happened to three large local family enterprises. I am thinking of the Chapples', Matthews' and Bryans' stores. I say they were large because their sales volume was in the millions. They had a great many local employees and family managements. But what has happened? Chapples was sold to Great-West Saddlery which, operating out of Winnipeg and having the capital, is building up a chain of stores in that part of the country. I believe that Matthews was sold to Eatons and that Bryans was sold to Simpsons-Sears, although I may be wrong there. But here again the big retail outlets in our area are Simpsons-Sears and Eatons, national organizations.

The grocery field has been preempted by Safeway, Loblaws and A & P. We have had a very marked decline in small grocery stores, and some of them were not so small. They were quite substantial. But in most cases they have been forced to give up growth prospects and in many cases have had to go out of business. So our people shop mainly at the very large supermarkets that have mushroomed across the country since the war. There is no gainsaying this trend. It is obvious throughout the country; it is obvious in Ottawa.

Then there is the situation in the service type of industry. I am thinking of cleaners and dyers, garages and operations of that type. Again it is very difficult for the small man to operate. If he is in existence it is more and more the case that he is a lessee on a very doubtful and shaky basis from a large organization. Most automobile repairs and that type of thing are now tied in with the larger franchise holders of the big manufacturers.

As to the construction industry, one would expect that in a country with the amount of space that we have and very severe winter

conditions construction development would be improving. What we find is that the small contractors are not proliferating. Instead of having more and more small contractors, we are getting fewer and fewer big ones. Indeed, the irony is that it is almost impossible for any of our local contractors to make a successful bid on a government project, for example, because they cannot compete with the lower bids of the huge organizations with headquarters in Toronto, Winnipeg and centres like that.

One cannot argue against the trend. The trend is there. We can see it. But it seems to me that what we should really do is analyse how big is big, and whether we should let this bigness go any farther, whether there are certain fields in which we should allow this trend and other fields in which we should stop it. Should we set a limit on the size of corporations? I think, perhaps, even more realistic than the type of control we get from the combines act would be a corporate graduated income tax which might do more to control this movement toward huge size, if it is worth controlling.

One of the things that intrigued me in reviewing this legislation was the remarks of the Minister of Justice (Mr. Fulton), with all deference to his Conservative principles about the history of this legislation. I think the real builder and founder of this legislation was the Right Hon. Mackenzie King. Speaking on the original bill in 1910 Mr. King said:

> Broadly viewed, it is in the machinery for investigation and for the framing and shaping of an intelligent public opinion which the measure provides, that its main features consist. It aims to get at the truth and to have the truth when ascertained so presented that the remedy for a wrong disclosed will be self-evident. It is framed in the belief that once in possession of the facts which are of first importance to itself, the public will find a way of seeing that any evil under which it may be wrongfully suffering will be removed and that no situation, however complicated, will prove too intricate for a satisfactory solution, but to ascertain the facts, to get at the truth, is the first of all essentials.

It seems to me that Mr. King was very optimistic. He had a great belief that if the public only knew, if the public only realized and saw some examples of combines and mergers and price fixing, the public would so react that this trend would be wiped out. What we are faced with, I would suggest to the minister in the mid-twentieth century, is a *fait accompli*. We have huge corporations. I am not suggesting they are combines in the nasty sense of the word. I am not suggesting they are the result of mergers in the criminal sense of the word. However, the fact remains that we have them. I wonder just what we should be doing in legislative terms in order to halt the trend or to reverse the trend. It certainly seems to me that what the minister is trying to do in one part of this act is, in many ways, to make it easier for big business to get bigger, and at the same time he has thrown out a sop to small business in so far as this resale price maintenance tendency is concerned which is supposed to please them.

The minister argued that there is a place for the small businessman. We would not argue against this, but I think he needs to defend his argument against this trend of the times, as I have pointed out and which is so obvious in our particular part of the country. There is always the argument of economies of scale. How can a small businessman really compete with these large scale enterprises that are able to supply cheaper buys and better service? In the long run, despite all the talk about bigger or smaller business, I believe the only way we will retain small business, especially in the retail field and in the service field, is by deliberately stopping the expansion into larger groups.

This raises the question of efficiency and relative efficiency. Here again, we do not know. Perhaps instead of these amendments being put in front of a parliamentary committee it might have been better if they had gone before this royal commission that we have not got but could have had if the minister had been as serious, as we think he should have been.

The difficulty in so far as small business in industrial fields is concerned, aside from the retail stores, although the difficulty appears there as we know, is the raising of capital. We have had one election campaign fought to a degree upon the question of tight money. Outside the house the minister has indicated that the new small business bureau is going to be one means of answering the problem of small business and the small manufacturer. I suggest to him that so far it has been an organizational agency only, or a minor promotional agency. It still has not got around to the role that is being played by the small business administration in the United States, under which large loans are available at relatively low interest rates. There the loans are relatively large, up to $300,000 or $400,000 on a long term basis.

We have not anything like that from this government that would indicate it really is out to do something for the small manufacturer, the young man with some ideas and perhaps a bit of technical ability who wants to get ahead. As it is now, the young man with technical skill and drive almost certainly has to find his role within a very large

organization. I do not know whether I mentioned this before in the house, but I remember a few years ago at a university at which I worked there were 27 boys in one graduating class in commerce. There was not one of them going into business on his own or even thinking about it. Every one of them signed with a very large organization. I have tried to trace some of them since, and what I have been able to discover from a partial sampling has been that most of them are doing very well in large organizations such as Standard Oil of New Jersey, Imperial Oil and very large accountancy firms.

What I am trying to argue, Mr. Speaker, and reiterate and reiterate, is that we have this tremendous trend today. Even geologists in our particular area have gotten together to form a firm so that they could take on the size and kind of projects that are necessary. Except with dentists and lawyers you can see a trend toward some kind of co-operation in the professional field. This is apparent throughout our whole society. All hon. members have observed how, more and more, doctors are moving into clinics. I know in our particular area most of the medical work is done through clinics of a fairly large size. As a matter of fact, the largest clinic is on a share basis, just like a company, and declares dividends and has profits. Again I am not making any comment as to the worth of this trend, but this is the trend of the times, even in the medical field, of having more and more employees with less and less opportunity for the small person, the family doctor, the small family enterprise.

It needs to be mentioned in this debate, it seems to me, that one of the developments about which many people, not the least of whom are on the government side, are wailing about is the trend in the trade union movement. This might be one logical answer to this trend of corporate bigness. You might say it has been one of the countervailing powers against their development in size. If we have huge unions, such as the united steelworkers with their scope in the United States and throughout Canada, this is a reflection of the very large scale of the industries in which employees work. The big forces of our time in our economy are big corporations tending to be bigger all the time, and also big unions tending to be bigger all the time.

It seems to me that if we want to return to what is largely a myth we have to come out with very firm rules and restrictions against the increase in the size of corporations or of unions. We need to get some definitions of bigness and of smallness. We need to get some definitions of efficiency before we treat things so haphazardly as the minister has treated them in this particular piece of legislation.

One of the points that the minister made was his indication that the government had not received any representations from the manufacturers in connection with the list price policy that section 34 prohibits. He said that in the main the government had followed the representations of small business. I do not know whether he has followed the campaign of the Sunbeam Corporation (Canada) Limited which has a public relations office in Toronto. Sunbeam, right across the country, working as I understand it with the retail merchants association, has put the case strongly for price maintenance; and in effect that is what the minister has given. With all due respect to the retail merchants association I think we deserve a more candid and a more thorough analysis of just what this is going to do actually to protect the small businessman and also to protect him from the manufacturer with whom he will tend to be tied.

By hon. members who have already spoken the point has been made about protecting the consumer in so far as the price setting aspect of these amendments goes. It seems to me that the consumer always is forgotten in our part of the world as a political entity. I think this is probably a factor in all three of the political parties in this house. I think we may tend to make a fetish of the small businessman because of the myth we have. To underline this I want to read some remarks from a recent book by a Canadian economist, B. S. Keirstead and entitled "Capital Interest and Profits". In this book he states as follows:

> Western peoples have given much lip service to the ideal of free private enterprise. Such a system is supposed to create the optimum output of goods and services and is believed to be continuously progressive because of competition. Competition is also believed to protect the public against exploitation and to ensure that abnormal profits would be ephemeral. To ensure competition, laws have been passed making monopolies, trusts, mergers, combines and price agreements illegal. Yet one wonders how much of all this is a kind of elaborate social mythology. A truly competitive world is one in which some people get hurt. The inefficient producer goes into bankruptcy; farmers who fail to alter acreage in response to price changes cannot sell their crops. Workers in declining trades have to take lower wages, go unemployed or move to other trades and other areas. By contrast with this harsh world is our kindly paternalistic North American society. If American (or Canadian) manufacturers are suffering from foreign competition, up go the tariffs. If farmers grow too much wheat or make too much butter to sell at the price they want, the government buys it at an agreed price in excess of the market price. If coal from submarginal Cape Breton mines cannot be sold at a profit, subventions are paid to move the coal at less than cost to the Montreal market. If there is serious unemployment and poverty in Newfoundland, we

do not allow starvation to drive the people out, i.e. increase labour mobility; we pay a special subsidy to Newfoundland. It may be that all this is as it should be; it is not free private enterprise.

This argument, it seems to me, must throw us back upon an analysis of the situation we have today, and I reiterate what I started with, namely the questions as to how big is big, how small is small business or how high is small business and how do you determine whether a business is efficient. We can see that obviously big business on the economic side is transforming society. I do not know about the other members of the house but it has certainly altered my habits with regard to shopping, how I drive and where I drive. It has certainly altered employment opportunities for me and for most of the people that I know.

It seems to me that we have had a transformation of society, yet we do not face up to it. We still keep talking, as does the minister, about free private enterprise and Conservative principles which are always going to see that that ideal is maintained. I tend to feel that this situation is rather long past and that tinkering in the way in which the minister seems to be tinkering here can do nothing but raise suspicion in our minds as to the short run motive of the minister and of the government.

When I speak of suspicion, I wonder how he can spend three years, as he says, in intensive study. We almost have a picture of him, Mr. MacDonald and the other people over at the combines investigation section, day after day churning away at this thing, threading through the MacQuarrie report and looking over the whole field: they are really set to go; they are really drawing things up; they are going to change it. But what has actually happened? The minister introduces his speech by saying that these are not revisions, that this is not a revision of the act and not to be mistaken for it; that these are only relatively minor amendments that are not going to change the purpose of the act but are going to deal with certain specific situations. If small business is in a quandary, surely this act needs something more important than the minister's minor amendments. If we have a situation in which big business is getting bigger all the time and we are getting corporate consolidation all the time, surely after three years we need something more than his way of making the act more ineffectual.

I hope later on, after amendments have been moved with regard to this particular bill, to have the opportunity of coming down to more specific criticism of the bill. However, I felt that the whole issue of bigness and size in our business structure was worthy of some examination. If corporations continue to get bigger—and I know there are limits within certain fields—it obviously means that there are going to be fewer and fewer of them in the field. Perhaps we should be considering ways of making sure that the few which are in the field compete rather than adopting this ineffectual way of making it easier for them to combine.

In conclusion I should like to ask the minister to remember this pulpwood combines report. If the minister studies it he will find that these extremely large organizations that co-operate—at least I think they co-operate—in these appeals that are before the courts at the present time are linked with the pulp and paper research institute of Canada which is subsidized heavily by the Canadian government. They are linked with the Canadian pulp and paper association which has a woodland section which interchanges information and research in which government scientists and foresters spend a great deal of time and in which there is interchange of information, statistics and facts. We even have a situation, in so far as the pulp and paper wood side is concerned, where one of the government agencies produced an economic survey of costs on a certain pulp and paper watershed.

This type of co-operation that we have in this largest industrial field we have in Canada indicates to me that the time has been reached when we need to go into this question of bigness and corporate association in all its aspects much more thoroughly than the minister has suggested. He spoke as though his legislation was going to open the oportunity for co-operative research. It is obvious that in the pulp and paper industry that situation exists at the present time in many aspects. It seems to me that his motives, in so far as this legislation is concerned, are not going to do anything for the control of big business. They are not going to do anything effective for the support of small business. Again we carry on with the myth, the blarney, the typical political solution of trying to appeal to every field we possibly can without being crystal clear.

If the Minister of Public Works (Mr. Walker) had the courage in effect to tell the housing industry to go jump in the lake and if the Prime Minister (Mr. Diefenbaker) had the courage to tell A. V. Roe to go jump in the lake as far as the Arrow is concerned, I suggest to the Minister of Justice that he should consider telling big business or small business to jump in some lake. But I do not see how he can have it that he is pulling them both out of the lake at the same time. It seems to me there is a conflict here and

that either one or the other is going to drown. There has to be something done immediately in other fields if we are to have the ideal situation where those Conservative principles reign about which he talks so sweetly.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I had hoped some of the government members would rise to speak on this matter and that they would have endorsed not what the minister said but what they think the minister said, that is that he supported their views that we should maintain big business or that we are pledged to this legislation to support small business.

Frankly I would like to know where the Conservative party stands on this. Are they for small business or big business? I was listening to the minister yesterday and I think it would be very difficult to say whether he was for the small businessman or for big business. It appears to me that there is very little similarity in the needs and desires of these two organizations.

I can say without any consideration of the matter that I am not particularly interested in big business. I do not care about legislation to assist big business. I do not particularly want to eliminate big business because I think it is able to look after themselves. I want to support legislation which will allow small businesses to operate and will allow them to have at least a fair and equal opportunity of existence, which is not true at the present time.

In my own home town in the last few months we have had two businesses go out of business. One was a very large factory, probably the largest woodworking plant in Canada today and certainly the most modern, Hill-Clark-Francis. It has been known for years to be one of the leading manufacturers of fabricated wood products, but a few months ago it decided to all intents and purposes to close its doors. This factory was a large one employing 300, 400 and sometimes 500 people. It was a plant which had attached to it many retail outlets in northern Ontario. They owned the Halliday Lumber Company of Burlington and other lumber companies in British Columbia and throughout the country. They closed their doors and did not make any bones about saying that it was because of competition, or for other reasons. Now they are willing to use other people for their supplies.

At the same time, while this is very much a disadvantage to the town in an employment sense, a small business was started up several years ago which had a very capable manager, a capable staff, and was serving a need in the community and was in the position of a small business. It was a small business connected very closely with the Conservative party. The manager of this business was very closely connected with the party in my riding and only a few months ago this business folded up.

It seems to me that there must be a much more effective way of allowing these small businesses not to have an advantage over big business but to be able to compete with them. I have examined many of the procedures used in big business and I find that they are very dishonest procedures. You can go to any small businessman who will object most violently over your being able to walk down the street and find a sign in a tobacco store or in a large supermarket which says that cigarettes are sold for $3.18 a carton when the wholesale price of the same people who supply them to the supermarket is $3.19 to the small businessman. Each one of these small businessmen objects most violently, not because he is not able to compete in the sense of operating his business efficiently but in the sense that he is not able to buy in equal competition because there is a combine in the wholesale industry which allows the wholesaler to sell to their own particular outlets at one price, to a volume outlet at another price, and to the small retailer at yet a third, fourth or fifth price in many cases.

These matters are matters of concern to every small businessman. I am sure that each member of the House of Commons has received many petitions in the last few months and I would like to read one which comes from a small store in my area that is not interested in competing with large wholesale outlets, and is not interested in competing even with the large supermarket because there is not one in his community. This man has a store in a small community and has been able to increase the size of his store and put in those additions which will make him a kind of small supermarket where he is giving service and the best product possible to his customers. I will not read what the petition says because all hon. members have received this, but he says:

> Today when competition demands larger stores, modern equipments and a large variety of merchandise, the small merchants are at a real disadvantage to compete with the large corporate chains. Chains have a ready source of finances from the public through sales of stocks, debentures etc., whereas the only moneys available to the small merchant is a very limited and inadequate credit from the banks and his small profits which makes it just about impossible to expand.
>
> We are also definitely against trading stamps. In spite of all statements to the contrary, stamps are costly, 2 per cent and sometimes more and if they are legalized there is no doubt that all merchants will be forced to handle them and the cost will be passed on to the consumers.
>
> Loss leaders and discriminatory price practices are also more harmful to the small merchants than the large chains. Since chains by quantity buying pay less for most of their merchandise than the

small merchants unfair trade practices do not hurt them as much as the smaller operator.

It would seem to me that if the Conservatives, and I mean the real Conservatives—not these "Johnny come latelys" who are Diefenbaker Conservatives, who were progressive a few years ago; who decided that John was a progressive and they would go along with him because they think he thinks a certain way—who were for Horatio Alger in the days when Horatio Alger was popular in the United States—

Mr. Henderson: I take exception to the remarks of the young gentleman, Mr. Speaker. He mentioned a "come lately" Conservative. I have been a Conservative all my life, I am 69 years old, and I am proud of it.

The Deputy Speaker: Order.

Mr. Winch: I would be careful about boasting about it.

Mr. Peters: Mr. Speaker, may I call it ten o'clock.

Business of the House

BUSINESS OF THE HOUSE

Mr. McIlraith: I wonder if the house leader would indicate the business for tomorrow and Thursday.

Mr. Churchill: Tomorrow we will continue with this debate. If it is concluded we will take the Canada-Australia agreement. On Thursday and Friday the greater part of the time will be available for estimates in the order I announced last Friday; that is, transport, post office, mines and technical surveys, and fisheries if the house wishes to go that quickly.

If we do not get through the Canada-Australia trade agreement tomorrow I would like to call that for the first item on Thursday. I think it is a non-controversial item which the house will gladly pass as a compliment to the distinguished Australian trade mission which will be in town on Monday.

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

79951-0—278½

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:

FEED GRAIN PURCHASES FROM WHEAT BOARD

Question No. 375—**Mr. Argue:**

1. Do Canadian feed firms purchase oats, barley, and wheat (non-milling grades) from the Canadian wheat board?

2. If so, how many bushels of each grain have been purchased for the purpose of making feed in 1957, 1958 and 1959, in each of the prairie provinces by (a) feed firms holding agreements with the wheat board; (b) feed firms not holding agreements with the wheat board?

Answer by: **Hon. Gordon Churchill (Minister of Trade and Commerce):**

1. Yes.

2. (a) Purchases by feed firms holding agreements with the wheat board.

Province	Period	Grain	Bushels
MANITOBA	January 1/57–December 31/57	Wheat	120,349.1
		Oats	1,838,198.2
		Barley	298,502.0
	January 1/58–December 31/58	Wheat	84,371.7
		Oats	1,907,840.7
		Barley	235,400.0
	January 1/59–December 31/59	Wheat	51,374.9
		Oats	1,194,427.1
		Barley	487,792.8
SASKATCHEWAN	January 1/57–December 31/57	Wheat	77,700.2
		Oats	174,937.8
		Barley	180,038.3
	January 1/58–December 31/58	Wheat	97,014.4
		Oats	57,135.4
		Barley	122,453.6
	January 1/59–December 31/59	Wheat	28,752.5
		Oats	48,500.0
		Barley	88,351.5

NOTE: The following figures represent total purchases from the board of wheat of the grades No. 5 and lower and all grades of oats and barley. In those instances where a firm operates both a feed mill and a flour mill it is not possible, from board records, to differentiate between purchases utilized for feed and purchases which may have been utilized for low grade flour or rolled oats.

Province	Period	Grain	Bushels
ALBERTA	January 1/57–December 31/57	Wheat	583,979.5
		Oats	1,780,907.0
		Barley	176,442.3
	January 1/58–December 31/58	Wheat	625,984.9
		Oats	1,964,040.0
		Barley	204,393.7
	January 1/59–December 31/59	Wheat	367,829.7
		Oats	1,510,090.2
		Barley	277,598.0

Question

Answer 2. (b) Purchases by feed firms not holding agreements with the wheat board.

Province	Period	Grain	Bushels
MANITOBA	January 1/57–December 31/57	Wheat	1,100.0
		Oats	90.5
		Barley	—
	January 1/58–December 31/58	Wheat	902.5
		Oats	115,240.6
		Barley	1,403.8
	January 1/59–December 31/59	Wheat	11,821.4
		Oats	182,776.8
		Barley	278.0
SASKATCHEWAN	January 1/57–December 31/57	Wheat	238.4
		Oats	17,141.5
		Barley	3,377.0
	January 1/58–December 31/58	Wheat	14,671.7
		Oats	29,530.8
		Barley	3,333.0
	January 1/59–December 31/59	Wheat	12,227.0
		Oats	26,002.0
		Barley	10,740.0
ALBERTA	January 1/57–December 31/57	Wheat	6,317.6
		Oats	5,235.6
		Barley	8,465.5
	January 1/58–December 31/58	Wheat	9,181.0
		Oats	7,624.0
		Barley	9,096.2
	January 1/59–December 31/59	Wheat	10,142.4
		Oats	6,821.2
		Barley	51,774.6

HOUSE OF COMMONS

Wednesday, June 1, 1960

The house met at 2.30 p.m.

PUBLIC ACCOUNTS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Alan Macnaughton (Mount Royal) presented the second report of the standing committee on public accounts, and moved that the report be concurred in.

Motion agreed to.

STARRED QUESTIONS

INSURED HOUSING LOANS BY NON-BANK LENDERS, MUNICIPALITIES UNDER 10,000

Question No. 161—**Mr. Benidickson:**

1. Since January 1, 1960, how many insured housing loans have been made by approved lenders, other than banks, under the National Housing Act to dwellers in municipalities with populations under 10,000?

2. What was the comparable figure for period commencing January 1, 1959?

Hon. D. J. Walker (Minister of Public Works): The answer to question 1 is; for the period January 1, 1960 to May 31, 1960, number of loans, 440.

The answer to question 2 is; for the period January 1, 1959 to May 31, 1959, number of loans, 391.

UNEMPLOYMENT INSURANCE FUND CREDITS

Question No. 162—**Mr. Robichaud:**

What was the balance to the credit of the unemployment insurance fund as at April 30, 1957, 1958, 1959 and 1960?

Hon. Michael Starr (Minister of Labour): The amount to the credit of the unemployment insurance fund, April 30, 1957, $854,607,845.71; April 30, 1958, $693,102,899.31; April 30, 1959, $454,462,498.91; April 30, 1960, $324,986,215.82 (interim).

GEORGIAN BAY AIRCRAFT LTD.—DIRECTORS

Question No. 163—**Mr. Chevrier:**

1. Who were the directors of Georgian Bay Aircraft Limited at the time the application for a class 4 charter commercial air service (with group B aircraft) was declined by the air transport board on December 1, 1959?

2. Who were the directors of Georgian Bay Aircraft Limited at the time the application for a class 4 charter commercial air service (with group B aircraft) was granted on January 21, 1960?

3. Who are the present directors of Georgian Bay Aircraft Limited?

4. In the case of 1, 2, and 3 what is their occupation and what experience have they had in the operation of commercial air services?

Hon. George H. Hees (Minister of Transport): I reply to part 1 of the question, the directors of Georgian Bay Airways Limited on December 1, 1959 were Frank D. Powell, Patricia A. Powell and Thomas M. Mitchell.

In answer to part 2, these were the directors on January 21, 1960.

With respect to part 3, the air transport board has not been informed of any change.

In reply to part 4, Frank D. Powell is a barrister, and since 1949 the president of the company; Patricia A. Powell is a housewife and vice-president of the company; and Thomas M. Mitchell is an accountant and manager, and is secretary treasurer of the company.

COMBINES INVESTIGATION BRANCH PERSONNEL

Question No. 166—**Mr. Howard:**

What are the names and the professional status and background of each of the deputy directors, combines officers, of investigation and research as well as of the director of investigation and research of the combines investigation branch of the Department of Justice?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the answer to this question constitutes a list of 17 officers, with their present positions, their professional status and background. If the hon. member wishes I will read it; otherwise I might ask that it be handed in to *Hansard* and appear as the answer at this point.

Mr. Speaker: Is it agreed that the list be taken as read and appear in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The list referred to above is as follows:*]

Starred Questions

Names	Professional status and background	
T. D. MacDonald, Q.C.	Director	Lawyer—B.A., LL.B.
J. J. Quinlan	Senior combines officer	Lawyer—B.A., LL.B.
F. N. MacLeod	Senior combines officer	Lawyer—B.A., M.A., LL.B.
F. C. Gascoigne	Senior combines officer	Economics—B.A.
A. G. Powell	Combines investigation officer 6	Commerce—B. Com.
S. F. Sommerfeld	Combines investigation officer 6	Lawyer—B.A., LL.B.
R. M. Davidson	Combines investigation officer 6	Economics—B.A., M.A.
D. A. Rankin	Combines investigation officer 6	Commerce—B.A., B. Com.
G. D. Orr	Combines investigation officer 6	Economics—B.A.
R. I. Milner	Combines investigation officer 6	Commerce—B. Com.
M. D. Stewart	Combines investigation officer 5	Economics—B.A., B. Com., M.A., Ph.D.
G. C. Wilkes	Combines investigation officer 4	Economics—B.Sc.F., M.Sc.F.
W. F. Lindsay	Combines investigation officer 3	Chartered Accountant—C.A.
A. C. Whealy	Combines investigation officer 2	Lawyer—LL.B.
C. E. Wishart	Combines investigation officer 2	Economics—B.A.
L. P. Landry	Combines investigation officer 2	Lawyer—B.A., B.Ph., L.LL.
J. S. Fell	Combines investigation officer 1	Commerce—B. Com.

APPRAISAL FEES, FARM CREDIT ACTS

Question No. 167—**Mr. Benidickson:**

1. What was the amount of the appraisal fee required from a farmer loan applicant in 1957 under the regulations of the Canadian Farm Loan Act?

2. What was the amount of the appraisal fee required from a farmer loan applicant in 1960 under (a) part II, and (b) part III of the Farm Credit Act?

3. Under both acts was the fee to be retained by the corporation if an appraisal was made whether or not the application received approval?

Hon. D. S. Harkness (Minister of Agriculture): The answer to part 1 is $10.

The answer to part 2 (a) is 2 per cent of the amount of loan applied for or $50, whichever is the lesser; (b) two per cent of the amount of loan applied for or $100, whichever is the lesser.

The answer to part 3 is yes, unless otherwise directed by the commissioner under the Canadian Farm Loan Act or chairman under the Farm Credit Act.

CASH RECEIVED BY CROWN CORPORATIONS

Question No. 168—**Mr. Fisher:**

1. Do any of the corporations, boards, commissions, or like authorities of the crown have any relationships with customers or clients which bring in cash in either currency or silver?

2. If so, which; for what services; where?

3. In each case, what are the types of surveillance procedure used to ensure the correctness and safety of such cash moneys to the crown?

Hon. Leon Balcer (Acting Secretary of State): Mr. Speaker, this question should stand as an order for return. The information necessary to answer this question has to be obtained from more than one department.

Mr. Speaker: Order for return.

PURCHASES OF PLAYS BY C.B.C.

Question No. 169—**Mr. Pigeon:**

1. How many plays (texts and copyrights) have been bought each year by the Canadian Broadcasting Corporation since the French network was set up?

2. How many of these texts bought by the said corporation have been used each year?

3. What has been, for the same period, the total amount paid each year for the texts actually used?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): By reason of the detail in this question, with the consent of the hon. member, I would ask that the question stand.

Mr. Speaker: Stand.

Question stands.

CHARLOTTETOWN, P.E.I.—VISIT OF DEPUTY MINISTER OF PUBLIC WORKS

Question No. 170—**Mr. McWilliam:**

1. Did the deputy minister of public works visit Charlottetown, Prince Edward Island on, or about, May 19, 1960?
2. If so, did the deputy minister make a public speech on that occasion and, if so, on what subject?
3. Was the sole purpose of his visit to deliver a speech?
4. Did the deputy minister travel to Charlottetown in a government aircraft?
5. If so, were there any other passengers in the aircraft, and, if so, who were they?
6. What was the approximate cost of the flight?

Hon. Leon Balcer (Acting Secretary of State): This question also should stand as an order for return for the same reason.

Mr. Speaker: Order for return.

CANADIAN NATIONAL STEAMSHIPS—SALES TO CUBA

Question No. 171—**Mr. McWilliam:**

1. Have any ships of the Canadian National (West Indies) Steamships been sold to Cuban interests? If so, how many and on what date or dates were they sold?
2. What has happened to these ships since the date of sale, and where are they presently located?
3. Have any of these ships been in use since the date of the sale?
4. What was the selling price of the ships sold, and what amount has been collected to date?
5. Does the Canadian National (West Indies) Steamships contemplate repossessing these ships, or some of these ships, for use on the maritime provinces—West Indies, or the Atlantic provinces—West Indies routes?

Hon. George H. Hees (Minister of Transport): The answer to part 1, Mr. Speaker, is that the fleet of eight vessels was sold in August, 1958 to the Banco Cubano del Commercio Exterior of Havana, Cuba.

With regard to part 2, at the date of sale the eight vessels were anchored at Halifax. The last press reports to come to the attention of the management indicated that seven were in Halifax and one in Baltimore.

As to part 3, the new owners took possession of the ships and the management have no knowledge of any use to which they may have been put.

The answer to part 4 is $2,800,000. The agreement of sale provided for an immediate cash payment of $560,000 with the balance payable in five equal annual instalments of $448,000 with interest on the unpaid balance at 5 per cent per annum. The first of the five annual instalments was received in August, 1959 and the principal outstanding under the agreement of sale amounted to $1,792,000 at December 31, 1959. The balance owing is secured by a letter of credit from the purchaser, confirmed by the Bank of America, New York.

The answer to part 5 is no.

LES WAY, C.B.C.

Question No. 173—**Mr. Howard:**

1. Has one Mr. Les Way recently left the employ of the Canadian Broadcasting Corporation?
2. If so, on what date, in what manner, and for what reasons?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): The answer to the first part of this question is yes. I may say that in part this question was answered previously. A similar answer was given to the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

As to the second part the answer is as follows. His last program was broadcast on May 1, 1960. He was given notice of termination of his engagement following the announcement of his candidature for a provincial political office.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CASH RECEIVED BY CROWN CORPORATIONS

Question No. 168—**Mr. Fisher:**

1. Do any of the corporations, boards, commissions, or like authorities of the crown have any relationships with customers or clients which bring in cash in either currency or silver?
2. If so, which, for what services, where?
3. In each case, what are the types of surveillance procedure used to ensure the correctness and safety of such cash moneys to the crown?

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1. Did the deputy minister of public works visit Charlottetown, Prince Edward Island, on or about, May 19, 1960?
2. If so, did the deputy minister make a public speech on that occasion and, if so, on what subject?
3. Was the sole purpose of his visit to deliver a speech?
4. Did the deputy minister travel to Charlottetown in a government aircraft?
5. If so, were there any other passengers in the aircraft, and, if so, who were they?
6. What was the approximate cost of the flight?

MOTION FOR PAPERS

FARM LOAN AND CREDIT ACTS—APPLICATION FORMS

Motion No. 114—**Mr. Benidickson:**

1. For a copy of the form required in May, 1957, by a farmer applicant for a loan under the regulations of the Canadian Farm Loan Act.
2. For a copy of the form required in May, 1960, by a farmer applicant for a loan under the regulations of the Farm Credit Act.

Motion agreed to.

Inquiries of the Ministry

EXTERNAL AFFAIRS

INQUIRY AS TO DISCUSSIONS ON TERRITORIAL WATERS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Secretary of State for External Affairs whether discussions are going on at the present time between Canada and any other countries with regard to agreements on territorial and jurisdictional waters between those countries tending to the conclusion of a general international agreement on this subject?

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker, there are no negotiations. There are various consultations, but no actual negotiations.

NATO—INQUIRY AS TO EFFECT OF SUMMIT CONFERENCE

On the orders of the day:

Mr. Guy Rouleau (Dollard): I would like to direct a question to the Prime Minister. Can the Prime Minister inform the house whether he thinks NATO has been strengthened by the events at the summit conference in Paris.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that is not an easy question to answer. I do feel that as a result of the events of the last couple of weeks there has been a greater realization on the part of NATO countries of the need for unity than possibly there has been at any time in recent years. That need of unity has certainly resulted in a new feeling of cohesiveness.

I think I can go no further than that because to do so would simply be to look into the future, but I do express the hope that the various members of the NATO family will emphasize still more the necessity of fuller consultation than ever in the past, for only through full consultation can there be the assurance of that unity which is more necessary today, than it has been for a very long period of time.

Mr. Rouleau: A supplementary question, Mr. Speaker. Can the Prime Minister tell the house what in particular he proposes to advocate to strengthen NATO militarily during discussions in Washington at the end of this week?

Mr. Diefenbaker: The projected meeting between the President and myself will naturally result in discussions taking place between us as heads of friendly nations to the end that the unity that is so necessary in NATO shall be maintained and increased, such unity is indeed so characteristic of our two countries.

[Mr. Benidickson.]

In so far as specific discussions are concerned, I would say that the hon. gentleman will realize that they will cover a variety of matters. I would not be in a position to furnish details—nor would I wish to do so—regarding the agenda which will be before us as we discuss the matters which particularly affect our own countries and international relationships.

POWER

COLUMBIA RIVER—REPORTED BRITISH COLUMBIA OFFER OF PACKAGE DEAL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Justice. It arises out of a press report headed "B.C. Submits Power Plan for Columbia". In view of the reported announcement on May 31 in Victoria by Hon. Ray Williston, minister of lands and forests, to the effect that British Columbia has offered a complete package deal for the development of the Columbia river, which calls for a storage dam and power plant at the head of the Arrow lakes in the Kootenays; and in view of the fact that the press report indicates that the *Times* said the plan will bring the federal and provincial governments close to agreement on how to develop the stream; and in view of the minister's clam-like silence on this question, has the minister any information he can properly give the house with respect to this announcement?

Hon. E. D. Fulton (Minister of Justice): I thank the hon. gentleman for giving me notice of his intention to ask this question, of which I also received notice from the hon. member for Okanagan-Revelstoke (Mr. Fleming) and other members from the area who are interested in the matter. My attention was drawn to the press report yesterday evening, and in view of its importance I was in touch by telephone with Mr. Williston in Vancouver.

Mr. Williston assures me without reservation that he made no such statement or announcement as is reported in the press. He tells me that what happened was that he was asked by a newspaper correspondent whether it was a fact that what is known as the Arrow lakes dam could be machined and made into a power producer. He confirmed that engineering studies now indicate that that is a possibility. He said that his conversation with the reporter and any definite statement he made went that far only and no further, that he did not announce anything in the way of an offer of a package deal, and that none of the other things attributed to Mr. Williston in the press report originating in Victoria as a statement or announcement of policy, were in fact said by him.

I was glad to have this assurance, which I accept unreservedly. It would, of course, have been a complete departure from the agreement between the government of Canada and the government of British Columbia with respect to the policy meetings which do from time to time take place between us, had such an announcement been made, because our understanding is that until the whole matter has proceeded to the point where an agreed position is put forward and, we hope, accepted by the international negotiating group, no detailed report or announcement is made. Mr. Williston's assurance given to me yesterday conforms with the letter as well as the spirit of that understanding.

I should perhaps add only by way of additional information, that any suggestion that there was one package deal offered would not have been in accordance with the facts, because as I have told the house on earlier occasions, there are a number of project sequences which have been under discussion. The various considerations with regard to them have been sorted out and examined carefully, and the areas of difference with regard to the approaches to them have been substantially narrowed to the point where it is now sensible for us to hope that a decision as to the best sequence upon which we would most likely reach agreement will be arrived at in the near future.

INDIAN AFFAIRS

LAKE WINNIPEG—REQUEST FOR ASSISTANCE IN TRAP NET EXPERIMENT

On the orders of the day:

Mr. Eric Stefanson (Selkirk): I should like to address a question to the Minister of Citizenship and Immigration. In view of the proposed changes in fishing regulations for the coming summer season on parts of lake Winnipeg, where they are discontinuing the use of gill nets in certain areas for conservation purposes and where the government of Manitoba intends to experiment with trap nets, has the hon. lady's department received any request for assistance to Indians who normally fish in those areas of lake Winnipeg? If so, what is the nature of the request and what action is contemplated?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): This matter has been under consideration by the department for some time. An adequate supply of trap nets has been secured and will be distributed to the Indians before the start of the season. I may add that through the co-operation of the federal Department of Fisheries and the provincial authorities the Indians will be instructed in the use of the new type of equipment.

Inquiries of the Ministry

COMPANIES ACT

STATEMENT ON PROPOSED UNIFORM LEGISLATION

On the orders of the day:

Hon. Leon Balcer (Acting Secretary of State:) Mr. Speaker, in answer to a question addressed to me by the hon. member for Port Arthur regarding a new companies act, I should like to reply as follows.

A federal-provincial committee on uniformity of company legislation, comprised of the officers of the provincial departments administering the provincial companies acts and the officers of my department who administer the federal Companies Act, has been meeting over the past years with a view to bringing forth companies acts which will be as uniform as possible in all jurisdictions.

Two draft acts have been prepared by this committee, one draft with respect to jurisdictions where incorporation of companies is by means of memorandum of agreement and articles of association, and the other draft where incorporation is by means of letters patent. Representations as to the draft acts have been received from numerous sources such as the institute of chartered accountants, the commercial section of the Canadian Bar Association, the Toronto board of trade and many like professional organizations and individuals.

The conference of commissioners on uniformity of legislation in Canada is presently in the process of reviewing the two draft acts prepared by the federal-provincial committee on uniformity of company legislation and has appointed two subcommittees, one with respect to the draft act where incorporation is by memorandum of agreement and articles of association and the other with respect to the draft act where the incorporation is by letters patent, for the purpose of putting the language of the draft acts into proper form in accordance with rules of drafting established by the commissioners on uniformity of legislation. This work is presently continuing, a meeting being convened from June 6 to June 10, 1960.

The draft acts prepared by the federal-provincial committee are, of course, available to any interested person who may wish to criticize, comment upon or make suggestions with respect thereto and the draft acts have, in fact, been extensively distributed for this purpose to bodies which include the organizations mentioned from which representations have been received.

However, the draft acts are merely drafts. They have not been considered by myself or the cabinet nor, as far as I know, by the responsible provincial ministers and governments of the provinces; and of course there

can be no assurance that the draft acts will receive approval by the provincial legislatures or parliament if and when introduced, either with or without amendment.

POLYMER CORPORATION

CONSIDERATION OF SALE BY GOVERNMENT 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, and ask him whether a committee of government has been set up to consider the sale of the crown-owned Polymer Corporation at Sarnia.

Hon. Gordon Churchill (Minister of Trade and Commerce): That corporation does not come under my jurisdiction.

Mr. McIlraith: Then may I direct my question to the appropriate minister.

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, the Prime Minister and the government have the future development of Polymer at heart. A committee has been named by cabinet to study the future of this company, in view of the large exports we have to make to keep this company in operation.

Mr. McIlraith: A supplementary question, Mr. Speaker. The minister used the term "future of the company". Does that involve the possible sale of the company?

Mr. O'Hurley: I said "the future of the company".

HOUSING

INQUIRY AS TO SECURING OF MONEY FOR HOME CONSTRUCTION

On the orders of the day:

Mr. J. R. Garland (Nipissing): Is the Minister of Public Works now in a position to reply to my question as to whether any progress has been made by the government in its reported attempt to secure more mortgage money for housing without approaching the market directly?

Hon. D. J. Walker (Minister of Public Works): I wish to thank the hon. member for Nipissing for his continued interest in housing and to tell him through you, sir, that the problem he has raised is one which we have under constant consideration. It is a very serious and wide problem. If, as and when a decision is reached, or an announcement can be made, I can assure the hon. member that the report will be made first to this house.

[Mr. Balcer.]

Mr. Garland: A supplementary question. What action is being taken in the reported attempt to get funds outside of the regular channels?

Mr. Walker: That is what we will announce when the time comes, Mr. Speaker.

AIRPORTS

SAULT STE. MARIE, ONT.—REQUEST FOR SPECIAL CONSIDERATION RESPECTING TENDERS FOR TERMINAL

On the orders of the day:

Mr. G. E. Nixon (Algoma West): Mr. Speaker, may I address a question to the Minister of Transport. I understand that tenders will be called in the near future for terminal buildings at the Sault Ste. Marie airport. When the contract is let, will the minister give special consideration to local contractors who submit tenders, in order to help out the unemployment situation in that area?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, this government is always very sympathetic toward unemployment situations that may arise, but projects of this nature are open to any contractor in Canada who may wish to tender, and we abide by the tender principle. I am afraid that if somebody else puts in the lowest tender, then he will have to get the job.

Mr. Nixon: It is a very special area, though, sir.

Mr. Hees: I might add as a supplementary answer to the question of the hon. member for Algoma West regarding the employment of people in the area, that when a project such as he mentioned is being constructed, even though the contractor who gets the job may not come from the area, all efforts are made, I know, to employ local labour in a contract of that kind and I feel sure that will be done in this case.

Mr. Nixon: Thank you very much.

FLOODS

NORTHERN ONTARIO—INQUIRY AS TO REQUESTS FOR ASSISTANCE

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the great concern expressed by municipal officials of the northern Ontario municipalities affected, as reported in their local newspapers, can the Prime Minister inform the house whether any requests have yet been received from the Ontario government for federal financial

assistance for the relief of the victims of the recent floods in northern Ontario?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have to take the question as notice. I have no information at the moment to enable me to answer the question, of which I had no notice.

POINTE GATINEAU, QUE.—INQUIRY AS TO REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. Alexis Caron (Hull): May I direct a question to the Prime Minister. Has the Prime Minister received a request for help from Pointe Gatineau, following the flood caused by the overflow of two navigable rivers, the Ottawa and the Gatineau? If so, has anything been done in the matter?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have had no notice of this. Naturally I will have to examine the facts.

Mr. Caron: Could I have the answer again? I did not understand it.

Mr. Benidickson: It was not audible.

Mr. Speaker: The question has been taken as notice.

IMMIGRATION

IRENE REBRIN—INQUIRY AS TO RELEASE ON BAIL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration. I apologize for failing to send her notice, but the answer will be yes or no. Are reports correct that counsel for Miss Rebrin has outwitted the minister and her officials and obtained the release on bail of Miss Rebrin from the Minister of Justice (Mr. Fulton)?

Mr. Speaker: I recall that a question about Miss Rebrin was asked the other day and objection was taken to dealing with it on the ground that the matter is still sub judice.

Mr. Herridge: This has nothing to do with the case; it is purely a question of bail.

Mr. Speaker: I do not think I can agree that bail has nothing to do with the case.

CITIZENSHIP AND IMMIGRATION

INQUIRY AS TO APPLICATIONS OF CHINESE FOR CITIZENSHIP

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the Minister of Citizenship and Immigration whether applications by Chinese nationals for citizenship are being denied, or perhaps I should say postponed in receiving final approval at the present time?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): No, Mr. Speaker.

CANADIAN BROADCASTING CORPORATION

EDMONTON—SUGGESTED POSTPONEMENT OF CAPITAL EXPENDITURE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Transport whether, in view of the importance of giving priority to the needs of outlying areas such as Flin Flon for television coverage, the minister would consider deferring any action on the proposal to spend a great deal of money on television stations such as the C.B.C. station at Edmonton until there has been an opportunity to consider the C.B.C. estimates in the house.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I have nothing to do with the expenditures made by the C.B.C., as the hon. member knows very well. The operations of the C.B.C. are reported upon to parliament by the Minister of National Revenue. I know this matter is important to the people of the area, and I am sure it will be given all possible consideration.

Mr. Pickersgill: A supplementary question. In view of the fact that under the law the minister has the responsibility for bringing this matter to the attention of his colleagues, will the Minister of Transport refrain from doing so until there has been a chance to debate the C.B.C. estimates?

Mr. Hees: I know the hon. member, having been a member of a government, would not wish me to defer bringing something forward for the consideration of the cabinet which at the proper time should come forward for its consideration, and I can assure him that I will not disappoint him in that regard.

Mr. Pickersgill: I ask the minister whether he will not reconsider that answer, because this is precisely what I am asking him to do, to defer this matter until the house has had a chance to debate it.

Mr. Hees: It is not for me to decide whether or not these matters should be deferred.

ROYAL CANADIAN NAVY

SHANNON PARK—INQUIRY AS TO CONSTRUCTION OF RECREATION CENTRE

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I should like to direct a question to the Minister of National Defence. Has the government any plans for the construction of a recreation centre for the 521 families living at the Shannon park naval housing development, and is the department considering the completion of the unfinished playing field at Shannon park?

Hon. G. R. Pearkes (Minister of National Defence): The answer to both questions is in the affirmative.

COMBINES INVESTIGATION ACT—CRIMINAL CODE

AMENDMENTS RESPECTING MERGERS, MONOPOLIES, ETC.

The house resumed, from Tuesday, May 31, consideration of the motion of Mr. Fulton for the second reading of Bill No. C-58, to amend the Combines Investigation Act and the Criminal Code.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, at the close of the debate on this matter yesterday the hon. member for Cariboo (Mr. Henderson) rose and took exception to my having referred to some of the Johnny come lately Conservatives who may not have the same interests as the old-time Conservatives, those who represent the big financial interests. I suggest that by taking this objection to what I was saying he obviously put himself in one camp, and he established which camp that was. Certainly I made no reference to him, and in taking exception he did so of his own volition.

I was pointing out that the present government seems to be trying to do two things at the same time, and I would not be the least bit surprised if two sets of publications should come from government offices with respect to what are the aspects of these amendments. I suggest that in the *Financial Post* you will probably see press releases over the signatures of government officials indicating that all is well with big business, that big business is going to achieve considerable benefit from these amendments, while at the same time I think we will see in the daily press, which comes in contact with the small retailer, statements indicating that the position of the small retailer is going to be better than it was before.

One particular aspect that has concerned me and certainly has concerned the small business people in my area is the matter of resale price maintenance. The proposed amendments to section 34 of the act apparently are based on three simple assumptions; first, that the ban on resale price maintenance is fundamentally sound and desirable but, second, that certain practices have developed under section 34 which have been damaging to the small distributor and others and third, therefore the manufacturer should be given the power to restrain such practices by refusing supplies to dealers who engage in them.

In fact, Mr. Speaker, it can be demonstrated that these proposals will effectively eliminate the ban on resale price maintenance; will provide no effective protection, either short or long term, for the small dealer; will open the door to discriminatory practices and strengthen the position of the large distributor who controls private brands, and will place in the hands of the manufacturer a degree of control over the final price of his product that is denied to other groups in the economy. Finally, they are based on a profound misunderstanding of the way in which business is conducted.

Under Bill No. C-58 the supplier merely has to satisfy the court that he had reasonable cause to believe and did believe that certain things were being done and he can then refuse supplies to the parties concerned. We are given to understand by competent legal advice that the test, "had reasonable cause to believe and did believe", is a very vague one and will permit action to be taken by suppliers in such a variety of circumstances as to effectively enforce a thoroughgoing policy of resale price maintenance.

In other fields, Mr. Speaker, we have found the expression "reasonable cause" not to be effective at all. We have been discussing for a matter of months now the ineffective court procedure in proving reasonable cause. Indeed, it seems probable that in effect parallel but not collusive action to enforce resale price maintenance will be legalized under this amendment which would have been questionable under the combines legislation before section 34 was enacted.

But whatever may be the legal implications of the amendment to section 34, there can be little question but that it is based upon a profound misapprehension of the way business is carried on. Under the proposed amendments the supplier is in effect empowered to refuse supplies on the ground that he had reasonable cause to believe and did believe that the seller was persistently using the article not for the purpose of making a profit thereon but for the purpose of advertising or selling other articles. This suggests that business operates or should operate in the short run in such a way as to obtain a

profit above cost on each individual item it sells. On this issue Howard Clark Green, vice president of the Chicago, Indianapolis and Louisville railway and a financial officer for several other corporations as well as a distinguished accountant, has commented:

> Costs influence prices but do not control them. Goods sell for what buyers think they are worth, whether this price is more or less than cost. Business must recover from its total revenues its total costs, but not every sale will show an adequate individual profit. A contribution to overhead is all that can be expected from some classes of business.

Mr. Green continues:

> Among the most popular of the notions about fairness in pricing is the idea that a seller is entitled to a price which will cover his cost, plus a reasonable profit.

He then demonstrates the unsoundness of this position and adds:

> It is extremely dangerous to assume that the existence of a cost justifies the establishment of a price.

What I have just quoted is found in the "Harvard Business Review", September and October, 1952, page 192. Yet it is precisely this unsound and dangerous principle that the proposed amendments empower a supplier to impose on his distributors. Even if the principle were sound, the practical difficulties encountered in attempting to compute costs and profits for an individual item in the array of items included in a distributor's stocks would be sufficient to rule it out. The problem is made clear in the following quotation from the green book on loss leader selling, a publication of the combines branch:

> In some places we have to sell some lines such as butter and shortening with about a 3 to 4 per cent mark-up. Most of our lines are priced at 16 4/16 to 25 per cent, and to tell you the truth I am not able, for the life of me, to tell you what percentage it costs us to handle a pound of butter as against a can of peaches or a dozen of oranges. I know these items represent three different costs in handling, but I do not know, even if we broke our turnover down into each one of the 2,000 items we handle, how we could arrive at a cost for each item.

If, despite its unsoundness in principle and in application, this approach were enacted into law, it seems not unlikely that Canadian courts would follow the same procedure that certain United States courts have adopted in determining when a sale was made below cost. In these cases, statistics compiled by trade associations on the average mark-up for the field in question have been accepted as the cost to be applied to the full range of products in that field. The consequences of such an interpretation would be extremely serious, since it would result in a widening of the distributive margins and probably also in an increase in the numbers involved in distribution—in a word, in an increase in costs to consumers. It would also appear to be quite legitimate under the proposed amendments for a seller to spend millions on advertising for the purpose of attracting customers to his store, but it would be illegal to pursue and continue a policy of offering specials to do the same thing. The big stores can afford to spend millions, but the small stores cannot.

The small stores would also suffer under the proposed amendments in another way, since on private brands of all kinds the larger stores and chain stores would be free to cut prices to any level they chose, while the small stores handling nationally branded lines would be in danger of having their supplies cut off if they sold at a reduced price which the supplier had reason to believe did not yield a profit for this item.

In questioning a number of stores as to why they did not use loss leaders in certain respects, I asked in particular why Coca-Cola, which could be supplied by a distributor at less than 5 cents, was not used by some of the small stores as a loss leader, especially since the price is considerably higher now. They informed me that if they did there would be no supplies delivered to them. I informed them that if this happened the distributor refusing to supply them would be liable to prosecution. Then the stores pointed out, and quite properly, that this court action could not be instituted by five or six people appealing to the minister to begin an investigation and, subsequently, a court case, but that the retailer himself would have to lay the charge and would have to conduct the court case on his own behalf. As a result, Mr. Speaker, there seldom has been a case in which a small retailer did sell for cost or just above cost when the maintained price was considerably higher, and supplies were discontinued, where he was able to accomplish anything in this field.

I would point out that this was true also in the case of the coal distributors in Timmins. I happen to know the coal distributor who was anxious to eliminate the combine which existed in Timmins. I can tell the house that the one who got hurt the most by the investigation which took place was the distributor who started the investigation as a public service to the community and to the customers in that community. He was the one who got the worst of the whole deal. The combine continued, and his distributors refused to sell to him. The government had no method whatever, or did not use any, to see that he received supplies from his distributors. He had to get back into the combine and agree to sell at a predetermined price or get no supplies. I have seen letters from United States suppliers which definitely stated that unless he was willing to

maintain the price they would not sell any coal to him. This particular individual was almost bankrupt.

In so far as enforcement is concerned under this legislation, it seems clear that those businesses in which trade-ins are common present special problems. Unless some standard system of valuing trade-ins is employed and enforced by a costly system of supervision, the legislation is likely to prove unworkable. Although we consider the legislation unsound in principle, it is manifestly unfair to adopt legislation which will prove to be enforceable in only certain trades. This consideration raises the wider isue as to why the government should empower certain sectors of the economy to enforce prices which will yield a profit over cost while denying the same right to other groups, such as farmers. Again, we consider the principle requiring sales at cost plus a reasonable profit to be unsound and dangerous, but we do not see how the principle can be adopted in one field and denied in others.

There is nothing in the proposed amendments which requires the supplier to uniformly enforce his refusal to supply against all dealers. He may take action against Smith and at the same time permit Jones to continue to sell at the same or even at a lower price. This is subversive of equity and fair dealing. If restrictions are to be enforced they should apply equally to all; they should not be capable of arbitrary, capricious application. Even if a supplier did enforce uniform resale prices based on trade association average mark-up data, the result could still be arbitrary and unwarranted in the case of an individual seller, since the price need not be related to that seller's business experience.

We are fully in agreement with the principle that misleading advertising should be discouraged. Whether such a matter, as well as that of disparaging the quality or price of a product, is not better handled by such organizations as the better business bureaux, is to a considerable degree a matter of opinion. But if legislation on these matters is considered desirable, it is a fact that provision is already made under section 306 of the Criminal Code to deal with misleading advertising at least, and the section could easily be extended to include the aspects of disparagement that it is desired to prohibit. It would be preferable in every respect to make the combines branch responsible for enforcing this section rather than to leave enforcement to the arbitrary decision of suppliers and wholesalers.

We would also question whether loss leader selling, in the sense of selling at below net invoice cost, is sufficiently widespread to justify extreme measures of the sort proposed in these amendments. The information available in the report of the restrictive trade practices commission on loss leader selling disclosed an extremely limited number of authenticated cases of such sales below cost. No further general survey of the situation has been made available to the public to establish that the situation has undergone any substantial change.

For these reasons, as well as for the more general considerations relating to resale price maintenance which have been fully discussed in the reports of the MacQuarrie committee and of the restrictive trade practices commission, we believe that these amendments are not in the interests in particular of small business, but will tend to create a favourable situation for wholesalers and distributors to the detriment of the small businessman and the consumer.

Now, Mr. Speaker, in the restrictive trade practices commission report it is stated:

> The commission has found that the term "loss leader selling" may be applied by trade groups to any level of pricing, extending from a price in any degree lower than the manufacturer's suggested resale price to a price at or below net purchase cost.

There are exceptions, of course, Mr. Speaker. The report goes on to state:

> A merchant may sell goods at or below his net purchase cost to clear end of season or broken lines, to raise money to meet urgent cash requirements, to dispose of discontinued lines of goods and so on. In these and similar cases where the purpose is simply one of disposing of the goods so priced, competitors are not likely to be greatly concerned, although there may be some question at times as to the bona fide nature of the sale and as to the time chosen for making such clearances.

No consideration has been given to those merchants, Mr. Speaker, who operate on a permanent basis under the guise of clearing year end products or the clearance of bankrupt stocks, which are not necessarily bankrupt stocks. We have such establishments in Ottawa and Montreal, what they call war surplus and other surplus disposal establishments, which are not of a temporary nature and where the disposal is on a permanent basis.

Mr. Speaker, we are not particularly worried about big business. I think big business will be able to look after itself. It has all the cards stacked on its side. We have had investigations into a number of what the department considered to be combines and in my opinion we have never yet done anything about those, although they were found guilty. If amendments are going to be made I think they should be amendments that have

some substance. I would suggest that one of those amendments could be in the field of penalties.

First, I think that the clause restricting jury trials is an extremely silly one. I see nothing wrong with jury trials. The minister himself is a lawyer and I am quite sure that if he had a case in which he wanted his client to be well protected, to be given the benefit of the doubt, he would take his case to a jury if it was possible to do so. I am sure the other lawyers in this house—and many of them are defence lawyers—will agree that there is nothing wrong with taking a case to a jury trial.

I would suggest also that the people who are being defended in this case are the small businessmen who are not so well able to look after themselves as they thought they were. They thought that all they had to do was to vote Conservative and they would be well looked after. This is not true. They are not being well looked after. I think they should have the opportunity, when the department decides that there is malpractice in the field of combining, to be represented by jurymen who would sit in judgment on the particular practice that they have before them. I think it is going to be difficult for anybody to argue against a jury.

I expect the minister will rise and say that we cannot have juries because they would not understand the combines legislation. I probably would agree with him that they may not understand it. There are not too many people who do understand it. It is extremely complicated. It is true that the man in the street might not understand it. However, I think the fellow in the street will be interested in what he considers to be a restrictive trade practice. The little fellow working in a garage will know that even in his business there are certain restrictive practices which might be better eliminated for the good of the general consumer. I therefore think little can be said in opposition to a jury trial. If it means that the jury is going to be obliged to ask enough questions to find out just what combines are and what their purpose is and what would be the restrictive practice, then it is all to the good and it will be duly reported in the papers and the general public will get a better understanding of what big business is doing, of what restrictive practices go on.

They may be less lenient in dealing with them than will a judge who in many cases, in my opinion, is closely connected with big business because he is usually associated with big business. He associates with that type of people. He has been associated very likely with corporation law and is sympathetic to many of the things that are considered to be good, sound business practice. Yet I as a consumer would consider that they were restrictive practices and were tending to increase the cost of the product as it comes down to the consumer.

In the matter of penalties I think we are also extremely foolish. If a gentleman goes into a bank and robs that bank there are a number of penalties that are put against him. Suppose he gets $10,000 and walks out of that bank. First of all, the law will try to get the $10,000 back if it can. Then the man will be put in jail and even the penalty of a fine may be imposed on him; but the law will get back, if possible, that amount of money. What manner of thinking do we have when we allow a business to make, we will say, as the combine investigation into sugar pointed out, terrific amounts of money, up in the millions, and then if we convict them we would likely have imposed a penalty of $10,000?

An hon. Member: A maximum.

Mr. Peters: A maximum of $10,000.

Mr. Speaker: I must remind the hon. member that these penalties are not in issue in the bill before us.

Mr. Howard: If I may do so, Mr. Speaker, I should like to submit that the bill does make reference to fines and penalties for infractions. That reference is found in the bill itself.

Mr. Winch: It is therefore in order to discuss the matter.

Mr. Speaker: If the hon. member is satisfied that there is an amendment dealing with the amount of penalties I, of course, do not want to intervene.

Mr. Howard: May I draw your attention, Mr. Speaker, to the fact that on page 6 of the bill, under the proposed section 32, it is stated as follows:

> 32. (1) Every one who conspires, combines, agrees or arranges with another person ... is guilty of an indictable offence and is liable to imprisonment for two years.

As to the reference to a fine, while it is in the act at the moment, the amendment is to take fines out because the reference to fines is also covered in the Criminal Code and I submit it is a part of the bill.

Mr. Speaker: My point is that there is no change. If the bill makes any change in the penalties it would be in order to discuss the inadequacy of them, as the hon. member is doing. But I have not been shown any nor have I heard it discussed on the principle of the bill that there was any change in the penalties.

Mr. Fulton: There is no change whatsoever in the penalties.

Mr. McIlraith: On the point of order, Mr. Speaker, may I draw your attention to clause 17(4) of the bill where the institution of proceedings by way of prosecution may be done away with and proceedings by the crown by way of information substituted.

Mr. Speaker: Yes, I appreciate that is a matter of amendment. But with all due respect to what has been said, the point which the hon. member is discussing is not one that is the subject of amendment as far as I have been able to ascertain. There is enough to be discussed on second reading. There are so many amendments that it is hard to draw a line on principle. If we keep within the amendments that are in the bill I think we shall be able to proceed with reasonable and proper expedition.

Mr. Peters: I thought the reference in the amendment was large enough so that we could mention this matter. It seems to me that if there is going to be no change in it, then there should be. I think this is one of the fundamental reasons why the Combines Investigation Act has never been a success. We are not really penalizing according to the amount that is involved in the combine. We have a limitation on it. As was pointed out yesterday by the hon. member for Skeena (Mr. Howard), in the one case this penalty was one three hundredth of one per cent of the profit. That was the case of a steel company.

Mr. Fulton: May I, Mr. Speaker, refer to the point of order that you raised? I hesitate to suggest that there should be much done to restrict discussion. For that reason I have not raised points of order myself even when I felt that a strict application of the rules might indicate that I should do so because I realize that, as you have said, there are a number of amendments and it is difficult to discuss those amendments without getting into the details, even on second reading. However, I agree with you, Mr. Speaker, that to go into general debate on the penalties is something that is clearly not covered by the bill at all. But if my hon. friend is going to do that, within whatever latitude Your Honour allows him, I suggest that at least he do it accurately. There is no limit on the penalty at the present time—on the fine that may be imposed on a corporation. No change is made in this respect by the present bill. There is no change at all in the penalties provided. A corporation may still be fined any amount at the discretion of the court. If individuals are charged, they are still subject to being sent to jail.

[Mr. Speaker.]

Mr. Peters: This may be a very slight point, Mr. Speaker, but I would point out to you and to the minister that there is an alteration in the wording of the act at the moment as compared with that of the bill. If I may, I should like to read section 32 of the act which states:

> 32. (1) Every person who is a party or privy to or knowingly assists in the formation or operation of a combine is guilty of an indictable offence and liable on conviction to a fine in the discretion of the court or to imprisonment for a term not exceeding two years or to both.

It makes reference to a fine. It makes reference to imprisonment for not more than two years, or it allows both penalties to be imposed by the court. The proposed section 32 in the bill only makes reference to a liability of imprisonment for two years. It is a small matter but the alteration is there in the reference to fines contained in the act. It specifically says that the court may inflict a fine or jail sentence or both, but in the present bill it makes reference only to the fact that the court may impose a jail sentence. As I said earlier, as I understand the fine question it is covered by another section in the Criminal Code in any event.

With all due respect, yesterday I went quite extensively into the question of fines, attacking it from a different point of view and suggesting that we alter our present arrangements so far as fines are concerned and establish something entirely new with regard to imposing fines. That was in relation to the net profit picture of a company. At least, I said words to that effect. As the minister said, he did not raise a point of order on other occasions when the door was wide open and when the minister himself in fact opened that door on other matters which were not related to the bill. I think it would be most unfair for the minister who opened this door now to ask that the door be closed and no further discussion be allowed of a specific point which I think should be allowed because of the alteration in the existing wording of the act.

Mr. Speaker: May I say this for the guidance of the hon. member who has the floor. This is an amending bill. Although it amends the main act in substantial ways and therefore admits of general discussion of the principles of the legislation as they have been expounded both by the minister and other hon. members, it does not open up the unamended sections of the original Combines Investigation Act to be found in the Revised Statutes of Canada, chapter 26, except in so far as they are brought in by these amendments. That is the general principle of debate on second reading of an amending bill.

If the principle of the amount of monetary penalty is involved in the amending bill, then it would be in order to discuss it. If it is not, it would be in order to raise a point such as that the hon. member for Skeena has just raised in committee when the particular clause is being dealt with. It seems to me that his argument does not raise any question of principle just because there is a change in the wording as there appears to be no change in the substance of the law relating to fines and imprisonment.

Mr. Winch: May I draw your attention to when this matter was up first for second reading. The Minister of Justice (Mr. Fulton) spent one hour and thirty five minutes in introducing the debate, and during that time he covered every aspect possible on this matter of combines. Beyond that, he went into three particular clauses and detailed them, and when the Leader of the Opposition (Mr. Pearson) was speaking the Minister of Justice asked him to quote them in full clause by clause. Mr. Speaker, in view of all that I would say that the entire matter of combines is now open to discussion, and was opened by the Minister of Justice.

Mr. Speaker: The hon. member has made his point but unfortunately that is not the practice of the house. I have heard no previous discussion of the point the hon. member for Timiskaming (Mr. Peters) is now dealing with, although I did not hear the hon. member for Skeena (Mr. Howard) when he spoke.

Mr. Fulton: In view of what has been said, Mr. Speaker, may I point out that in my remarks it is true I dealt with the general principle of combines legislation, as one is supposed to on second reading of a bill of this sort. When it came to the matter of the bill itself I pointed out that it was difficult to discuss an amending bill like this without reference to the arguments which were behind the particular amendments. I refrained from reading the clauses myself and my only reference to particulars was with respect to the particulars in the bill where changes are being made. I certainly did not refer to particulars which are not being changed when I came to that part of the discussion.

Mr. Godin: Mr. Speaker, if I may rise on the point of order—

Mr. Speaker: The point of order has been disposed of. The hon. member who has the floor will please proceed.

Mr. Peters: Mr. Speaker, I appreciate your ruling and it is probably correct, but it indicates in my opinion the reason why this act has not been amended in its entirety in order to prevent what we in the past have considered to be abuses. Very few of the cases which have been tried under this particular act have resulted in convictions, and when they were convicted, as the hon. member for Skeena (Mr. Howard) pointed out, the penalty was a little like that given to a bootlegger, when he is charged a $10 penalty which he considers a sort of municipal tax and then goes ahead again.

This whole bill is an indication, I think, that we are not doing anything for the small businessman. The small businessman is still desperately in need of capital and of a fair shake when it comes to dealing with his wholesaler. It is not fair to him when he knows that the store across the street is getting a greater percentage discount than he is just because it belongs to a particular chain. I am sure he is not very happy with the situation where he knows these things happen with large chain stores. There is not a small merchant in Ottawa who would not tell you that he can buy things more cheaply out of the newspaper on a retail basis than he can from his wholesaler who is his supplier. These things in themselves make it absolutely impossible for many of the small businessmen to continue their operations and to grow as they must if they are to survive. They have not large undistributed dividends to put into expansion. They have not large depreciation funds which they can use for expansion. They have not mergers they can engage in to allow for the control of large segments of the market. They have no opportunity of going into vertical integration as has been done with agricultural products. They are completely at the mercy of the wholesaler and the suppliers.

If this government wish to do something which keeps the small businessman in the field, they should believe that the small businessman has a role to play other than just providing plain service. If they feel that his role is a worthy one to be played, then I think they have an obligation to give some protection to the small businessman. That does not mean equality between the small businessman and big business, because there is no equality in this aspect of the matter.

Mr. Speaker: I am sorry to interrupt the hon. member, but even with an allowance of time for the interruptions and discussion of the point of order his time has expired.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, to begin with we have heard a great deal of sound and fury from the hon. members of the Liberal party and the hon. members of the C.C.F. party. Regardless of their protestations of interest in the small businessman of Canada there is no evidence

whatever in the attitude they are taking on this bill that they have any interest in the small businessman of Canada. The official opposition has ignored the fact that this bill is supposed to give some badly needed assistance to the small businessman and the points which have been raised are nothing more than historical rhetoric and technical arguments to conceal the fact that this legislation is intended to help the small businessman. They seek in turn to prove that the Liberal party was right in 1951.

I have not been able to discover what is exactly the attitude of the C.C.F. group. The hon. member for Timiskaming (Mr. Peters), who spoke last night and again today, gave me the impression that he was speaking in favour of the bill. He certainly adopted a good many of the arguments that I had intended to raise, namely the very difficult position of small businessmen and the difficulties they have with big business. However, I regret I lost the thread of his argument, and I really did not discover the grounds on which he feels he must oppose the bill. I might go into the arguments he raised in connection with the legal aspect of jury trials but frankly I do not wish to be diverted. I would only say that most of the arguments he put forward in connection with jury matters were definitely wrong in the light of jurisprudence established for many years.

A short summary of the bill is that it is an attempt to bring some balance into the complex and difficult subject of trade practices. The bill is not weighted against big business, nor against small business, nor against the consumer. Yet to each of them it gives some benefit which they have been needing and demanding. The opposition have taken one part of the bill—the part which deals with what I consider the perfectly proper agreements between manufacturers—and have attempted to show that the bill as a whole is in favour of big business. The opponents of this measure have, generally speaking, completely ignored at least three other parts which I will discuss later and which are very much in favour of the small businessman.

It is surely unnecessary to say that the retail merchants associations, and small business across Canada, have been asking for legislation such as is now proposed for their own protection, particularly with reference to loss leader sales. I have a great many such requests in my office, and I am sure other hon. members have received petitions of this kind. I have one in my hand now which I think requests exactly what the hon. minister has proposed in this present bill. It is dated April 28, 1960, and I will quote it in part. Urging support of this legislation, it says:

> These issues are of vital concern to the vast majority of independent retailers, and we urge you and the government to take the necessary action at this session of parliament to eliminate loss leaders, predatory price cutting, discriminatory pricing practices, false advertising; and to enact legislation to aid small business.

Mr. McIlraith: Would the hon. member permit a question? How can that association ask for support of this legislation when the legislation was not presented to the house until May 6, and the letter purporting to support it is dated April 28?

Mr. Aiken: The letter is dated April 28. However, I am sure it did not refer to this bill. It is a request that the government introduce legislation to eliminate loss leaders, predatory price cutting, discriminatory pricing practices, false advertising, and legislation to aid small business.

I was pointing out that what these people ask is exactly what is included in this bill. I think every item requested in this particular letter is there. This particular letter appears to be a printed form issued by the merchants' association. I have the names, and I am quite prepared to disclose them. This is the kind of petition which members of the house have been receiving. I am sure most hon. members have received them, and they do ask for just about what the government has now proposed. I believe it would deal a death blow to many small businesses right now if they were denied the benefit of some protection against loss leader selling. This is one thing which has been proposed to me time and time again by small businessmen. This is what they believe is causing them trouble. They believe it is discriminatory and that it is gradually putting them out of business.

In proposing this legislation the government has almost entirely answered the request which small business has made, and in these circumstances it is beyond my understanding why both opposition parties should have taken such a strong stand with regard to this bill, the strongest stand which has been taken, I think, on any bill during the four sessions I have been here. Spokesmen for the parties have said they would fight this bill to the bitter end, but for the life of me I have heard no reason given which would justify the opposition being so intense.

I should like to discuss for a few moments what the objections have been. In my opinion the objections raised have been very shallow indeed. To deal, first of all, with the section relating to combines, this is, to my mind, the

first example of an attempt to bring balance into combines legislation. The Leader of the Opposition (Mr. Pearson) has stated that the courts will not be able to interpret the act properly. He has said that the courts will give a broader interpretation to the exemptions detailed under the act than they should. He has said that under the guise of the exemptions granted the courts will give a much broader interpretation of the legislation than they now do. To this I say that we must rely on the ability of our courts and judges to determine what the clear wording of this clause means. I do not think we can go on the assumption that there will be difficulty in doing so. We must not assume that all persons accused under this clause will be acquitted merely because certain defences are enumerated in the bill. While certain defences are allowed, the final provision makes definite prohibition against price cutting agreements.

I should like to say just a word about the history of combines legislation. The Leader of the Opposition tried to show that the Conservative party, historically, was reluctant to enact combines legislation or to enforce it. I should like to make three points which, I think, definitely refute this allegation. As was pointed out by the Minister of Justice (Mr. Fulton) yesterday, the original anti-combines section which was placed in the Criminal Code was enacted by the Conservative government in 1889. The Combines Investigation Act of 1910, which was brought in by a Liberal government, revealed two prime weaknesses, and those weaknesses were subsequently corrected in the Conservative legislation of 1919. In this case I should like to refer to the MacQuarrie report issued in 1952. At the top of page 12, in referring to the 1919 Conservative legislation, the report reads:

> It is to be observed that the legislation overcame two of the principal defects of the act of 1910, namely the absence of a continuing enforcement authority and the initiation of investigations only on the application of interested private individuals.

Further down, in referring to the 1923 legislation, the report states:

> The Combines Investigation Act of 1923 followed. The act was basically the act as it stands today. The comprehensive definition of "combine" of the legislation of 1919 was largely retained but no administrative power to order the cessation of activities was provided for.

Now, as some hon. members may point out, the legislation of 1919 was declared ultra vires because it provided for certain administrative matters which the privy council felt were beyond the authority of parliament. Nevertheless, as is pointed out in the report, when the 1923 act was re-enacted the main provisions of the Conservative act of 1919 were reincorporated, and this legislation has carried through until the present time. The basic change from that was that the provisions which offended against the privy council decision were removed in the 1923 act. But basically we have the 1889 act as legislation of the Conservative government and the 1919 legislation of the Conservative government, which form the main foundation of our present act.

I think it would be a fair statement to say that combines legislation has been a progressive development undertaken seriously by governments of both parties, and I think it would be quite wrong to say that either party has taken the lead or lagged behind in progress on combines legislation.

I should like to turn to the price maintenance portion of the bill. In his remarks the Leader of the Opposition stated that under this bill the manufacturer or supplier will be in a position to refuse to sell his products to an outlet for some vague reason and on some indefinite report which he has received. This particular statement was made time and time again by members of the opposition party who said, the manufacturers are going to make nonsense of this because they are going to be cutting off retailers for no reason at all. Will the manufacturer of any product be over-anxious to cut off his retail outlets for an unreasonable excuse? I think not. I think every manufacturer is anxious to retain as many retail outlets for his products as he can, and I believe it would be only in the case where some retailer was outrageously making a breach of the loss leader rules, and the other things which are mentioned in the act, that the manufacturer would ever move in and cut off the retailer. They are in business; they want to have outlets, and they will not cut them off unless they have a perfectly good reason.

In my opinion this is another example of balance in the combines legislation. The 1951 legislation went from one side to the other; it went from one swing of the pendulum to the other, and in eliminating one danger they created another one just as great.

The Leader of the Opposition also said that we have no interest in the consumer; that the Minister of Justice hardly mentioned him; that the provisions of the legislation left the consumer hanging in the balance. I say two things. First, if the small businessman is put out of business by such tactics as loss leader selling and various of the other unfair trade practices mentioned in this act which are prohibited, then the consumer is left in the hands of big business, and I am sure we would agree that this is not at all satisfactory. Just to give some verification of my statement, I should like to read from the

report of the royal commission on price spreads on food products, which makes this very clear. Volume 1 of the report of the royal commission on price spreads of food products, September, 1959, at page 59, states:

> We have pointed out that we have been unable to discover evidence to support the view that the increase in the size of the large firms in the food industries, which has accompanied the general expansion of the market, has resulted in reduced costs and a tendency to reduce prices to consumers. We are disposed to explain this partly in terms of the tendency for large firms to compete in offering services rather than reduction in prices. We find no substantial basis to suppose that, if the major firms in the food industries continue to increase in size, this will operate in the direction of reducing prices to consumers.

Second, does the consumer really benefit from these loss leader sales? I doubt this very much. The report from which I have just read indicates that loss leader sales are "come on" gimmicks to bring people into the stores. Large businesses or small businesses have to make a profit, and if they take a loss on one item they must sell something at a higher price to make up for it.

The basic design of this bill, as I see it, is unashamedly to give a break to the small businessman. He does not want subsidies or loans or charity so much as he wants fair competition. The small businessman knows that the big dealer can buy cheaper in quantity lots; that he can afford larger advertising costs, and that he can stand a smaller margin of profit on volume sales. He knows this; he knows he has to deal with it, and most of them have said that they can deal with it; that they can meet this competition if they are given a fair break on trade practices. They cannot meet discriminatory and unfair trade practices which are forced upon them and upon the public by the big business operation.

In this bill there are three main provisions to help the small businessman. First, there is the elimination of the abuses of loss leader selling; second, there is the elimination of false advertising, which not only swindles the consumer but loses legitimate sales for the legitimate businessman. Third, it eliminates discriminatory promotional rebates, which are granted on a different basis from one person to another. I should like to deal with them in the order I have mentioned.

I think that the legislation of 1951, by which price maintenance was prohibited, went too far. Not only that, the report on which this legislation was based indicates the dangers of loss leader selling.

Undoubtedly there were and are dangers in resale price maintenance. The consumer does not secure the benefit of wholesale competition in retail buying, according to the proponents of the 1951 legislation, but they either failed to observe or underestimated the dangers of loss leader selling which have become more obvious in recent years. It is doubtful, as I have said before, if the consumer really gains anything and it is very devastating for the small businessman. He cannot buy in huge quantities like the chain stores, nor can he afford to lose money on various items and hope to recoup his loss from others. Under the present law neither the wholesaler nor his supplier can help him out if he gets into difficulties on loss leader selling. They are forbidden from taking any action of a restrictive kind against those engaged in loss leader selling and selling products to the detriment of their regular dealers is something that is constantly carried out.

The present bill gives the manufacturer the right which he so badly needed in the 1951 legislation. If the report on which the 1951 legislation was based had been followed I think that some such provision would have been included. It certainly is indicated but in fact no such release valve was provided. They merely went from resale price maintenance to no resale price maintenance and left small business in the difficulties that now face it.

Some mention has been made of the MacQuarrie report in connection with loss leader selling. This is a report of the committee to study combines legislation. I should like to quote from pages 70 and 71 to indicate the dangers which were then pointed out to the government relating to loss leader selling. Paragraph 7 on page 70 reads as follows:

> Resale price maintenance no doubt helps to protect the reputation of branded goods and facilitates advertising and sales promotion. However, the committee is not convinced by the argument that the reputation of branded goods greatly suffers from normal price variations and that people will think quality has deteriorated if prices are allowed to vary. If the loss leader is taken care of, normal price reductions will not cause serious problems to the manufacturer.

In the same report, under "general conclusion and recommendations", there is the following:

> As to the loss leader device, the committee believes that it is a monopolistic practice which does not promote general welfare and therefore considers that it is not compatible with the public interest.

Those are the observations made in the report, on the basis of which the 1951 legislation was carried into effect. I think what we are doing now is belatedly putting these loss leader restrictions into the act in a manner in which they undoubtedly should have been put into the act when the previous legislation was passed.

I should like to discuss two other matters in the bill concerning which there has been very little discussion up to this time. The

first has to do with misleading advertising. This is something that has long been deplored by the general public and dealers both large and small. Certain types of individuals, groups and companies who have inserted themselves into the economy have sent out catalogues, leaflets and other advertising material which has been false in some of its aspects. The particular item with which the bill deals is misrepresentation of the price at which certain articles are normally sold to the public. I think it is agreed generally that it would be impossible for anyone to prohibit by legislation exaggerated claims as to the value of an article. From time immemorial in business dealings people have exaggerated the value of the article they were selling beyond what they should have. It is a very common expression that a certain article is a bargain at twice the price. Those prospective purchasers who are gullible may be taken in but those who are not will not be, no matter how glib the seller. No legislation could ever prevent that.

But if a consumer is given what he believes to be a fact on which he makes his judgment and that fact is false, then his judgment in the matter has been completely perverted. If he is told that an article is normally sold at a certain price and that is not the fact then he may be improperly swindled into buying an article which is not worth what it is stated to be, never was and never will be.

I admit I have some doubts as to the enforcement of this provision. Proof as to what the ordinary price is or has been may be very difficult to give. This seems to me to be something that the courts will have to deal with and those conducting prosecutions will have to be very careful about it. However, I believe it will dispose of the most flagrant cases of fraudulent misrepresentation of the value of goods, and to that extent I am sure it will be valuable. The general efficiency of the provision about false advertising will have to be proved in the light of experience.

The third and final matter in the bill which is designed to help small business is the restriction on promotional allowances and rebates. This is a type of indirect price reduction which the small dealer cannot secure from the supplier or the manufacturer but which the larger corporations such as chain stores can force from the supplier. This provision does not prohibit reductions for quantity purchases. There again I think there would be no hope or expectation of refusing to a person who can buy in large quantities a substantial discount compared with the person who must buy in small quantities. Those are normal trade difficulties that the small businessman must deal with. However, this particular provision does not deal with a reduction for quantity purchasing but has to do with a sort of squeeze play which is imposed on the supplier by the large buyer. This practice is given considerable attention in the report of the royal commission on price spreads in 1959 and in the report of the restrictive trade practices commission on the grocery trade in 1958. I should like to read from page 180 of the latter report on the grocery trade to give the house some idea of the type of promotional rebate which is considered discriminatory. At the bottom of page 180, it is stated:

> The most pernicious form of rebate that is currently required by chain stores is that of "promotion allowance". Before any of the large chains will give special display space to a product, they insist on a payment that can run as high as $75 per store per week. Some chains will refuse to stock an item unless a prior commitment of "promotional advertising" is made by the supplier.
>
> Conditions have reached the stage whereby "promotion allowances" are the competitive weapons used by competing suppliers—and the method employed is equivalent to nothing more or less than hidden discounts.
>
> It is obvious, therefore, that from the supplier's point of view he is being gradually forced to "rent" space for his product on the shelves of the large chain stores. No independent would dare ask for such an arrangement and therefore being without this source of income is once again at a competitive disadvantage with the chain store.

If this type of unfair trade practices is present, the bill provides that such allowances must be offered on proportionate terms to all purchasers from all individual manufacturers or suppliers.

In conclusion, Mr. Speaker, I must say that I cannot for the life of me see how the opposition can make such a strong stand in connection with this very beneficial provision for the small businessman. The manufacturer is given the right, under this bill, to engage in legitimate agreements which will have the effect of cutting down cost of production and thus reducing the price; the small businessman, is given a measure of protection against unfair competition; the consumer benefits from reduced costs, honest advertising, and the tremendous benefit which small business brings to the economy.

(Translation):

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, I was deeply interested by the remarks of the Minister of Justice (Mr. Fulton). I know that he tried very hard to convince the house and the nation that the Conservative party had done more than anyone in Canada in applying the provisions of the Combines Investigation Act. However, the Leader of the Opposition (Mr. Pearson) and the member for Hull (Mr. Caron) showed that the Liberal party had introduced the

amendments without which the act was inefficient and inoperative. It was in fact under a Liberal regime that many people and companies were indicted for offences under the act.

I was a bit surprised to hear the member for Parry Sound-Muskoka (Mr. Aiken) say just now that the Liberals have little interest in the small businessmen, the little fellow.

If he will just listen to me for a few minutes, I can tell him that in 1955 I asked for an investigation to protect not the powerful but the little fellow, in my constituency, my province and my country. And it was the Liberal party that authorized such an investigation, which unmasked the most powerful monoply in Canada, namely the pulp monopoly.

Speaking in this house, on January 14, 1955, I described the situation of the settler and the farmer who were being exploited by the large paper companies. The L'Union Catholique des Cultivateurs de Quebec and representatives of farmers' co-operatives in my constituency had asked me to demand an investigation to stop the exploitation then going on in my constituency. At the time, I told the house that in 1951, companies buying fir and spruce, the pulpwoods grown in my constituency, paid the farmers and settlers $15 a cord, delivered to the Gatineau or Lievre river, while they sold the newsprint at $101.48 a ton at the mills.

In 1952, the same companies lowered the price of pulpwood to only $14.50, while they raised the price of newsprint to $105.22 a ton.

In 1953, the same companies were paying settlers and farmers only $13.50 a cord for pulpwood, while newsprint sold at $110.05 a ton.

In 1954, the same companies paid $13.50 a cord and sold their newsprint at $110.03 a ton.

Having found that while newsprint prices were going up, the prices paid to settlers and farmers for the raw material used in newsprint manufacturing were declining, I therefore demanded an investigation.

I concluded my remarks by asking for an investigation. This is what I said, as recorded on page 215 of *Hansard* for January 14, 1955:

This is why I am asking the Minister of Justice to start an investigation immediately, under the Combines Investigation Act, on the operations of the E. B. Eddy, of Hull, the Canadian International Paper, whose head office is in Montreal, and the James MacLaren's, of Masson.

[Mr. Leduc.]

A few days after, other Quebec and New Brunswick members, putting forward the same reasons, asked for an investigation in their area. A week after that request, the then minister of justice, Mr. Garson, stated in reply to a question put by the hon. member for Labelle that the investigation was under way, since he had instructed the director of combines investigation to launch an inquiry, under the Combines Investigation Act, regarding companies of the province of Quebec, of eastern Ontario and even of New Brunswick.

Mr. Speaker, at this stage of my remarks I want to commend and congratulate the director of combines investigations and the other members of the commission for the tremendous job they have done. They worked most intelligently for the success of their inquiry and in preparing the report submitted to the Minister of Justice. After examining that report, the Minister of Justice prosecuted the corporations, and today, I would like to commend the Minister of Justice as well as the government for the action taken.

Mr. Speaker, I have no intention to read the whole report on that investigation. It is extremely interesting, but I would like to quote at least an excerpt of the concluding remarks, because it must be understood that the inquiry on paper firms differs from other investigations. Ordinarily, corporations form a combine in order to establish fixed prices to the buyer, and in the present case, the companies agreed to fixed prices to the producer.

Mr. Deputy Speaker: Order. Can the hon. member for Gatineau assure me that he will eventually relate his present remarks to the bill, because the mere fact of discussing an investigation made under the present legislation, without speaking of any amendment that might be passed, would to my mind be contrary to the rules. The hon. member will eventually have to relate his remarks to the proposed amendments to the present bill.

Mr. Leduc: I appreciate this, Mr. Speaker, and you are right. I only want to quote a short excerpt of the report and shall link the whole with my concluding remarks. In paragraph 2, chapter 4 of the report, we can read this:

The arrangements made to offer certain prices for farmers' pulpwood can be considered as price-fixing arrangements, for the maintenance of the prices that the farmers could get for their pulpwood. If the situation most frequently encountered

in the application of the Canadian anti-combines act involved the fixing of sale prices by suppliers, such restrictive effects may result from an arrangement made to fix purchase prices by buyers whose total purchases are large in relation to the total purchases of a given area.

It was clearly stated in the former act that companies were not allowed to make arrangements to fix prices; in fact, the learned lawyers of the large companies tried to prove to the combines investigation commission that when they had meetings of 10, 12, 15 or 20, they had not discussed prices, stating that they had not met for the purpose of fixing prices, but only to obtain information and statistics of possible benefit to them.

Well, Mr. Speaker, what do we find in the suggested amendments to this bill? What is the meaning of section 32? It is quite simple, this section will legalize the meetings where statistics, research and everything will be discussed. When this bill is adopted, the combines investigation commission will no longer be able to clearly establish evidence against those companies which have combined, because I may assure you that in future, minutes of such meetings will no longer be published as they were in the past. Now it was on the basis of the minutes and letters written after those meetings, by representatives who had been present at the meetings that the director succeeded in proving there had been a combine. However, due to the amendments that are suggested to the present section, the director will no longer be able to prove that the companies have met, discussed together and made arrangements.

Therefore, instead of improving the act, as contended by the Minister of Justice, this amendment is bound to make it less efficient. Not only will the act be less efficient, but another, much farther reaching and more dangerous amendment is introduced. Under the act as it now stands, companies found guilty of a first offence are subject to a fine, while for a second offence the attorney general may sue both the company and the directors, and have either a fine or a prison term imposed by the court.

Now in the amendment put forward under section (4) of clause 17, here is what we find:

In any case where subsection (2) of section 31 is applicable the Attorney General of Canada or the attorney general of the province may in his discretion institute proceedings either by way of an information under that subsection or by way of prosecution.

That, I think, is the most dangerous provision of the whole bill. It is left to the discretion of the Attorney General of Canada to decide whether he should just lay information against the company, or whether he should prosecute.

I submit that this provision reduces the effectiveness of the present legislation. Moreover, I think such a provision should not exist. The minister should not be free to just lay information against an offender.

The act should not be amended, as I said at the outset of my remarks. The amendments now before us, far from improving it, will make the act inoperative.

For all those reasons, Mr. Speaker, I intend to vote against the bill.

(Text):

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I think that most of us in this house agree that the old act was not adequate. It was unsatisfactory. However, in our opinion, the amendments now offered will make the act even less acceptable to the interests of Canadian individual free enterprise and also less acceptable to all those who are concerned with the welfare of the Canadian consumer.

It is our opinion in this group that we are living today under economic anarchy and that free enterprise no longer exists. Any attempt on the part of any political party to take political advantage by paying tribute to so called free enterprise is spurious, in the first instance, because free enterprise has already disappeared. We have economic anarchy and nothing less.

I maintain that we have in office now a government which admits that the old Combines Investigation Act is ineffective and is now offering amendments which will completely eliminate the little bit of effectiveness which exists in the law as it is now on the statute books. I can remember very well how the hon. member for Prince Albert (Mr. Diefenbaker) rose in his place when he was in the opposition and complained about the ineffectiveness of the existing legislation. He used to demand that there ought not to be the option of a fine but that any officials of a corporation found guilty of violations of the act ought to be forced to serve a prison term.

What the minister is now offering the house is a far cry from the demands made by the Prime Minister when he was a leading member in the opposition ranks in this house. The minister, in effect, is now asking the house

to agree to a lessening of restraints and conditions and opening the door wide to the exploitation of the consumers in the interests of the monopolies, and incidentally at the expense of the only free enterprises which are left in our nation today.

We are to an increasing degree living under a controlling economy. Whether we like it or not I think most of us have to recognize this basic assumption. However, in our group we are concerned not so much with the inevitable; we are concerned with the problem that if we have to live under a controlling economy, who are the people who are going to do the controlling? Apparently the minister is perfectly happy to aid and abet the controls so that they end up in the hands of the few people who are responsible not to the consumers of Canada but only to the vested interests they represent.

At this time, Mr. Speaker, I should like to read into the record part of the budget speech of the Minister of Finance (Mr. Fleming) of April 9, 1959. On page 2408 of *Hansard* he is reported as having said:

> No review of the economic situation would be complete without some comment on price movements. In the fourth quarter of 1958 consumer prices were 2.4 per cent higher than a year earlier. The wholesale price index rose 1.3 per cent in the same period. This tendency toward rising prices, particularly in a period of recession, is a matter for concern. Advancing technology might have been expected to reduce the cost and selling price of many products to consumers. It is evident, however, that developments in corporation pricing policies, in labour organization and even in our political democracy are producing increased rigidities which inhibit the free play of competitive forces and thereby promote inflation and price increases.

In the light of that admission on the part of the Minister of Finance a little over a year ago it is our contention that the fines now imposed under the existing legislation are a farce indeed. The offerings of the government by way of amendments are really ridiculous and a cruel hoax on the small businessmen of our nation. We have many organizations who have made representations in regard to this legislation, and I agree with most of the motions of local chambers of commerce and boards of trade. However, I should like to underline the fact that the national organization representing the businessmen present a viewpoint that is alien to the interests of the small and independent businessmen of the nation today. Our national chamber of commerce represents in effect the identical interests of the Canadian Manufacturers' Association. I know that many local chambers of commerce and boards of trade do not realize how they are misrepresented by their national organization when it makes its annual presentation to the government.

They are completely dominated by the vested interests, by the big outlets. The small businessmen, while they may be members of the local board of trade or the local chamber of commerce, and even though the whole of this movement may express ideals which are completely in line with the national interest, are completely betrayed at the national level when the national organization makes its representations to our cabinet.

We are concerned about the survival of the individual in our society. When the last election rolled around, the Conservatives were very prolific in the tears they shed on behalf of the independent businessmen of Canada. What have they done since they assumed office some three years ago? It is our conviction that they have done nothing which would help in any way to assure the survival of the independent small businessman. The legislation now before the house is a smoke screen, and there is nothing in it which would really and effectively help small business to survive. We have had the estimates of the government before us over a period of years. We once noticed in the estimates of the Minister of Trade and Commerce (Mr. Churchill) a vote of $30,000 to establish a branch devoted to the interests of small businessmen. That is not even enough to establish a filling station in my riding. It is nothing—peanuts. We realize, too, that in the estimates this year there is nothing so far as the small businessman is concerned. If the government makes any pretence at all that the legislation now offered is going to help the small businessman—and I notice the minister did so the other day—the government is misinformed, because the legislation now before us is going to do nothing which will be of any assistance. As a matter of fact, it will do a lot of harm to the long term survival of the small businessman in Canada.

About a year ago the hon. member for Vancouver East (Mr. Winch) outlined in this house a number of proposals whereby the capital needs of small business might be supplied. The house turned a deaf ear to those proposals at the time. Our movement has always been concerned with the survival of the individual as an individual in our society. As the hon. member for Kootenay West (Mr. Herridge) emphasized on that occasion, our movement originated because of our concern with the importance of the individual.

I have a number of letters here which I should like to read into the record in order to highlight what is happening. I have one from a man by the name of A. F. Maley. His address is 283 Somerset street east, Ottawa, and he says:

> Subject: The United States monopoly of car polish. How they get it and the remedy.

Bennett took it up some 25 years ago—

I assume the writer is referring to the late Right Hon. R. B. Bennett.

—and after investigating reached an agreement with the oil company that each service station operator be classed as an independent dealer in accessories, and that the oil companies put up a dealer sign over the doors of the service station.

I am going to confine my remarks to the polish industry but the same applies to accessories in general. It resulted in many Canadian polish factories opening up in Canada owned and controlled by Canadians.

But when the Liberals came into power the dealer signs came down and lessee signs went up enabling the major oil companies to write in the leases that the station operators would henceforth buy their accessories from the oil companies or from distributors appointed by the oil companies.

In Ottawa, oil company representatives canvassed the distributors telling them that they had to pay payola of around 5 per cent to have their firms classed as company approved dealers.

I will not read the rest of the letter. However, this kind of thing is happening on a wide scale today. The oil companies are dictating to the retailers as to where they must buy their anti-freeze, their spark plugs, their tires and other accessories. The rake-off, or the payola, in a great many instances exceeds the normal retailer's margin, and it is a crime. The officials who are guilty of this kind of practice are, in my books, more guilty of a crime against society than is an unemployed man who, in order to help out his dependants and assure them of their daily bread, robs a grocery store. I have no sympathy at all for these officials and, like the Prime Minister when he sat in the opposition, I say that the officials of these companies are criminals acting against the interest of the Canadian public. They are fleecing the Canadian people, and they should not have the option of paying a fine. They should be confined behind bars in order that they might receive an education behind bars as to what their responsibilities to society ought to be.

I have another letter here. This is a letter from the reeve of the township of Thorold, who lives in Allanburg, Ontario. It is addressed to my house leader and reads:

Dear Hazen:

A local wholesale electrical distributor in the Welland district is the victim of a combine by the other distributors. It has reached the point where he will probably be put out of business because the manufacturers will no longer sell to him.

I am enclosing a copy of his letter.

And so on. He asks my house leader to do what he can to ensure the survival of this independent business operator. The letter that is written by the manager of the firm —I assume it is the manager—an R. Smith, to the reeve, says:

As we have been fortunate enough in spite of pressure from the larger distributors to gradually gather lines on the direct basis from manufacturers it seems that we are giving our opposition some fair competition and apparently they do not like it.

I have heard that at the last meeting of Canadian electrical distributors association that they are going to put me out of business by as a group telling the manufacturers that unless they stop selling to me they will refuse to buy from them.

I would appreciate any help or suggestions that you may have in order to fight this combine.

I feel that the legislation now offered is not going to help the interests of the real Canadian individual engaged in business. I hold in my hand a bottle of Car Slick cleaner and polisher. This was put out by a manufacturer in Montreal who used to do a business of $100,000 a year and who supplied employment to Canadians. However, because his product was not acceptable as far as the oil companies were concerned, he was run out of business; he had to close up. I am afraid that Conservatives are not very interested in the survival of small business because there is nothing in the legislation now offered that I can see that will help to ensure the survival of the small businessman.

As the hon. member for Port Arthur (Mr. Fisher) underlined last night, the government of the day is attempting to sit on both sides of the fence. It does not want to hurt monopoly business; it does not want to invite the antagonism of big business. In our opinion, the legislation now offered is not going to invite the antagonism of big business; it is going to invite the support of big business. Yet, at the same time I know the government is going to make every effort to assure the small businessman that they have made an attempt to ensure his survival. You cannot have it both ways.

Recently I have had many invitations to speak to organizations of small businessmen. I am advising them that unless they organize politically and economically, under the existing regime they have little hope for survival. The only hope available is that the good Lord helps those who help themselves. They have to realize that their interests lie in teamwork, the one with the other, and they have to battle the monopoly interests that exist.

Any argument that big business is in the interests of consumers is completely fallacious because, as the royal commission report on price spreads emphasizes, if he is given a reasonable break the small businessman can outmanoeuvre the large business any day of the week. He can survive. However, unfortunately he is not being given a reasonable break under present conditions. If we are to allow the continuous disappearance of the small businessman in our nation eventually the consumer is going to pay, and he is going to pay very heavily.

We see happening in the business world what is happening in agriculture. We see vertical integration, and I regret that there are many wholesale houses today that issue to the corner store not one price list, but a price list containing categories A, B, C and, out in British Columbia, categories D and E, and the margin between categories A and E is wider than the normal retail market margin. In addition to A, B, C, D and E, there are the normal discounts for purchases on a volume basis. Whether or not you are in category A, C or E depends on whether you take your whisky at the same country club as the owner of the wholesale house. This, I feel, is most unfair and it ought to be looked into.

I agree that there ought to be some discounts for purchases on a volume basis. However, there ought not to be any discount because of your relationships with the manager of the wholesale house or the manufacturer. I regret that our society has not paid very much attention to the increasing growth of what I would like to call the managerial class in our society. You know, an ethical argument is often presented—and I admit, with validity—on behalf of ownership. However, in our society today we have a new class, namely the managerial class, which has little ownership and little personal interest except the interest of self-advancement, and this often works against the interests of the consumer.

The managerial class also works against the interests of ownership. In increasing degree ownership is unable to have a determining voice. There was a day when we held ownership responsible and under certain conditions ownership would respond to the needs of society. You have, for instance, the Rockefeller Foundation and so on. However, today ownership means nothing; management means all. This legislation does nothing whatsoever to curtail the ambitions of management as opposed to the interests of either the consumers or ownership. The answer offered by the minister amounts to nothing as far as the survival of the small businessman is concerned.

I know that the retail merchants association has asked for the re-establishment of resale price maintenance. However, when they met us even the retail merchants association agreed that the public interest should receive some consideration if we re-established price maintenance legislation and legalized the practice. There is nothing in the legislation whatsoever that will protect the interests of the consumer. In our opinion the minister is simply opening the door wide, and even though we regret the lack of effectiveness of the old legislation the new legislation will assuredly be found less effective except in one respect. It will mean that the lawyers of the nation will make millions of dollars. They are going to have a real field day with the proposed legislation. The old legislation was weak enough but with the new legislation it will be years before the first test case is finally settled. In the meantime the lawyers will have made hundreds of thousands of dollars and the consumers will have received nothing.

The government hopes it can assure big business that it has done nothing that might hurt their aspirations. At the same time the government hopes to be able to mislead "ma" of the corner store into believing that her interests have been looked after. I have great respect for "ma" at the corner store and I am very anxious to see her survive because at a late hour in the evening or on a holiday what do we do when we need milk, bread, any other essential or even a non-essential item? We knock on the door and "ma" who has an apartment above the corner store comes down and opens the store and gives you your bread or milk or butter. "Ma" is being squeezed out of business, and the government is aiding and abetting the monopoly interests in squeezing her out of business through the amendments they are now presenting to the house.

Mr. Fulton: Nonsense.

Mr. Regier: When the Boy Scouts needed a little money where did they go? They went to "ma" at the corner store and she gave them a couple of dollars. When a new hall had to be built in the community to whom did you go? "Ma" at the corner store. When you had to build anything else where did you go? You looked to the local merchant to lead the effort in your community. But when you have large monopolies they are always very sorry but they cannot give a donation. They cannot make a contribution to the Victorian Order of Nurses without writing to the head office in Chicago in order to get permission to make a $5 contribution out of the hundreds of thousands of dollars they take out of the community.

There is no longer any local responsibility, and I am very concerned about the government's efforts to widen the door and tc make monopoly on the national scene even easier and more respected. The old Conservative policy is now being emphasized by the amendments offered, and I hope that no government spokesman will put forward the pretext in any riding in Canada that this legislation was designed to help "ma" of the corner store because it is designed to help monopolies. It is designed to help the men

and women who supplied the campaign funds when the Conservatives appealed to the people of Canada and who, the government hopes, will again supply the necessary funds in the next election campaign.

Mr. Fulton: It was the small individual communities.

Mr. Regier: I feel that those who violate the intent of this legislation are guilty of an act against the public interest. In my opinion they are much more guilty than some ignorant individual who happens to find a little piece of wire in rural British Columbia which has been left there by the B.C. Electric and takes it home with him. To me these men are guilty of a crime of the worst order and they ought to be dealt with adequately. The effect of the minister's amendments is to bless these men and ask them to continue their operations. The amendments will give them more adequate room in which to operate.

Mr. M. D. Morton (Davenport): Mr. Speaker, for a number of years the small businessmen and merchants have been asking the government to give them some assistance and protection. They have seen other aspects of our economy being assisted in one way or another, through deficiency payments and so on. Their voice has been a voice in the wilderness. They have not been given the attention that they consider necessary in view of their position in the economy of Canada. The Leader of the Opposition (Mr. Pearson) stated to the house in his speech that the present act was satisfactory and that the only changes that needed to be made were a few in respect of administration. I would therefore assume, by implication, that he felt that the small businessmen had been adequately protected by that act.

The Liberals were warned in 1951, when this amendment was put into effect, that it would not protect the small merchants. However, the Liberals were deaf to the call and to the warning. Today, when the government has brought forward this amendment in the hope of giving some assistance to the small businessmen, the Liberals are still deaf to the call. They think that all is well. The fact that retail merchants and several businessmen across the country have been asking that something be done means little or nothing to them. So far as they are concerned the act is perfect in its application and in its design.

The problems, of course, of the small businessmen in this changing and growing economy are varied and have many implications. The small businessmen who are along what we call the ribbon business areas, are not only plagued by competition of this type at which the legislation is aimed, but they are also plagued by local problems, such as parking or competition from shopping plazas and so on. The particular problem we have before us today is a problem for which they asked for some relief, some assistance and some protection. As to whether or not the act, as amended, will meet all the requirements, time alone will tell. In dealing with matters of economic law it is like dealing with the laws of nature. When one makes a change one is not quite sure of its implications.

I would say, Mr. Speaker, in respect of these amendments, that if the purpose of the amendments is not fulfilled I am sure the government's mind would be open to changes which might be necessary in the future to fulfil that purpose. However, I feel the government should be complimented upon at least listening to that voice and attempting to make some change.

Liberal speakers, including the Leader of the Opposition have tried to maintain the myth that they are the champion of the little businessmen; that they are the champion of these men against big business. They neglected to point out what history has shown, that this party also has taken steps and passed legislation to limit the activities of combines. The Leader of the Opposition implied that the Conservative party was the party that intended to leave free enterprise alone, without any interference. Of course he forgot to mention that it was Liberalism that adopted this laissez-faire course. They have forgotten Conservative attempts to organize such things as the Ontario Hydro, when it was necessary to protect hydro development, and also the creation of the Canadian National Railways. These things are in history, so the Liberals cannot proclaim themselves as the only champions of small businessmen, especially since they have ignored the plight of these small businessmen for so long.

The plight of the small businessmen is a matter of record. They have put themselves on record as being in need of relief from the provisions of the act that was passed by the Liberals, I believe in all sincerity, probably feeling that these provisions would cover certain aspects of the needs of that time. However, even they could not foresee all the implications. As some proof of this, I should like to quote a telegram received on June 24, 1959 from the president of the Retail Merchants Association of Canada. This was shortly after the bill was introduced last year. It is addressed to the Hon. E. Davie Fulton, Minister of Justice, House of Commons, Ottawa, Ontario:

Whereas the Retail Merchants Association of Canada deeply appreciates your exhaustive research

into the many problems besetting independent merchants and your sincere and earnest desire to help small business by your carefully prepared amendments to section 34 it is hereby resolved that a hearty vote of thanks be tendered to you, sir, and it is hoped that the consumer as well as the retailer will benefit by Bill 59—

That was the bill introduced last year.

Mr. McIlraith: Why was it changed?

Mr. Morton: I do not know that this particular section was changed. After all, the government is not as strait-laced as the former government was; its mind is open to change. I do not believe they have ever taken the attitude that they are supermen and have all the answers.

I have received letters from people in my own constituency suggesting that at this session of parliament we should eliminate the loss leader practice, predatory price cutting, discriminatory prices and false advertising, by enacting legislation. This letter is from Mr. A. J. Sone, who owns a corner drug store in my riding. Actually, it is in the riding of the hon. member for Trinity (Mr. Hellyer), but his business extends into my riding. I also have a letter from Mr. Cushing, Mr. Belyea and from Van Wagner's (Toronto) Limited. These letters are some indication of the pressure on the government to make these changes. I have my office on a street on which there are many of these small businessmen, and as I visit them from time to time they are stressing the necessity for making these changes. In addition the Bloor district businessmen's association, of which I am a member, has been urging upon me the necessity for making these changes. All these people feel, as a result of their study, that these changes are necessary.

There was a pamphlet put out by the retail businessmen's association, and in referring to complaints that had been made to Canadian manufacturers as a result of loss leaders and so on being used by the larger combines, it stated:

> Their hands are tied by a law passed by the Canadian parliament on December 31, 1951, the law being section 34 of the Combines Investigation Act. Among other things, section 34 prohibits any manufacturer from setting a minimum retail price for his own product, or refusing to supply his product to any retailer, however disagreeable he may find the retailer's abuse of the price of his product.
>
> At first glance, the legislation would appear to be exactly what the doctor ordered from the point of view of the retail merchant, since it prevents a manufacturer from refusing to supply his product to a retailer who would otherwise be left on the outside looking in.

Further on it states as follows:

> And it turns out to be a fact that Canadian retailers are far from satisfied with the legislation. Not long ago, Home Goods Retailing, a Maclean-Hunter publication, conducted a survey of retailers coast to coast. This paper, which serves retailers in house furnishing, floor coverings, appliances, radio and television sets, lamps, furniture and housewares, published this report last September 3:
>
> "A whopping 94 per cent of retailers who replied to this paper's queries on pricing said they favour a return to manufacturer-enforced retail prices, and 92 per cent agreed the present free-for-all price system is definitely harmful to business." . . .
>
> "The most overwhelmingly consistent reasons given as to why the present system is harmful (to the retailer) were based on these two points:
>
> "1. It promotes consumer confusion which is destroying confidence in the retailer and the product.
>
> "2. It is putting small retailers out of business through lack of profit."

I think that should definitely establish that there is a call, a requirement, by small businessmen for some change; and the change that is being suggested by the government is to try to meet that need.

I gathered the impression that perhaps there has been an overlooking of some of the aspects of this problem, in considering the problem from a somewhat three dimensional point of view, namely that of the producer or the supplier and the retail merchant and the consumer, and some are only looking upon the retail merchant as a mere funnel through which the producers' goods are distributed. In trying to prevent an entire monopoly by the various producers, however, I think that some have overlooked the problem of competition among the merchants themselves, that is to say, the competition between the small merchant, the corner store merchant, the merchant in the ribbon areas as against the chain stores and some of the larger stores that have developed. These larger stores and chain stores through the means of loss leaders and so on have been making it more and more difficult for the small businessmen to survive. When some of these large chain stores make a loss leader of a product—and it was not always the same product and perhaps covers three or four or five products altogether—it heavily cuts into the products that are being sold by the various merchants.

There has also been that type of merchandising that has been carried on in the Toronto area—and perhaps in others—where someone organizes a large outlet. I give as an example the name of one we have had in the Toronto area, namely George's. They buy large quantities of electrical and other appliances and in many cases sell them for less than the price at which the manufacturer could sell them to the retailer, thus undercutting the whole market for that line of goods. Quite often I believe it is a matter of record that these companies stay in business for a very short time, often going into bankruptcy and owing their creditors a great deal of money. Somehow or other the money is got out of the

business but the damage to the business section in the economy is great, and in the long run is against the consumer's interest. Under the present legislation I understand the manufacturers feel that they cannot refuse to sell to these people without raising the presumption that they are price setting against the applicant. This is a situation that I think can be overcome by the present provision of the act.

I know that some of the C.C.F. members who have spoken have tried to ridicule the idea that we of the Conservative party would be trying to help the small businessman or even the corner store but I do not think they have any monopoly on the hopes and aspirations of the little people in this country.

An hon. Member: Neither have you.

Mr. Morton: I did not say we had. I think every party in this house has the same great desire to see that each part of our economy is given fair treatment. I would not want to accuse any party of being out to destroy any one group of our economy. However, I feel that our party represents as many of these people as does any party today in Canada. I will not play second fiddle to any ideas to the contrary. If we were to follow and analyse the arguments that were made today by the socialist side of the house, after having listened to the analysis made by the hon. member for Port Arthur (Mr. Fisher) last night who pointed out how the growth of big companies had gradually eliminated the smaller businessmen in his area—and it is a recognized fact that they are eliminating them in other areas—we would have to have a government monopoly. We cannot deny that fact.

But in his summation of his argument he said that we must either limit the growth of these large businesses or tell the small businessmen to go jump in the lake or some similar phrase; in other words, that there was little that could be done unless we were to set some limit on the growth of large businessmen.

Mr. Winch: Whose side are you on?

Mr. Morton: If the hon. member had been listening he would have heard; but he just does not understand—and in this respect he is the same as his associates—that we can be interested in the welfare of the small people just the same as he is.

Mr. Fulton: Except that we do it more effectively.

Mr. Morton: That is right. What they are saying in effect is that the only way to save the small businessman or the individual is to set up a government monopoly.

Mr. Winch: Who said that?

Mr. Morton: That is the implication of the argument.

Mr. Winch: Who said it?

Mr. Morton: You used to advocate it but you found that it was not popular and so you backed away from it; either that or you have realized that you cannot do it because people during the war realized that control of wages, control of prices and control of rents were not the type of thing they wanted and that is what your policy would lead to.

Mr. Winch: We did get it in the war.

Mr. Morton: It was done in an emergency.

Mr. Winch: Why not do the same thing now in an emergency?

Mr. Morton: That is what you may think.

Mr. Deputy Speaker: Order.

Mr. Morton: The opportunity today is to make a provision whereby all industry and business may work within their various scopes. Now I should like to make this observation. From what the socialists have said and perhaps what the Liberals have said, they seem to look with disdain on big business as such.

Mr. McIlraith: Why accuse the Liberals? Why associate them with the socialists?

Mr. Morton: Only from what some of your members have said. I do not wish to impute to you what you have not said. I am only trying to interpret what some of your members have said. However, I should like to point out that from their remarks, some of them would consider that it is criminal to be a big business or to be successful or to have made money without realizing that some of these successful businesses are the ones that are employing many people across Canada and providing jobs for them. They are providing the money that is helping to pay for the welfare state which we are developing.

I am not going to defend those who are big who also take power into their own hands and do unlawful acts, and through their unlawful acts prevent others from seeking an honest living. I have no sympathy for them. I am merely pointing out that just because they are big they are not necessarily criminals.

Mr. Winch: Who makes their money for them?

Mr. Morton: The hon. member knows that they themselves cannot make money. They have to have a team, men working for them. He also knows that the unions through their

efforts have been able to give the working people in most places a share of the returns of the enterprise; it is not a one-way street. Of course, Mr. Speaker, they have a prejudiced view of our society anyway.

What I am getting at is that the small businessmen across this country have asked for relief against the loss leader. The Liberals and the C.C.F. are opposing that. They have asked for relief against false advertising, yet the opposition are opposing this bill.

Mr. Winch: That is a lie.

Some hon. Members: Oh, oh. Withdraw.

Mr. Speaker: I am afraid that remark was heard and went on the record.

Mr. Winch: That is a misinterpretation of our position.

Some hon. Members: Withdraw.

Mr. Speaker: Order.

Mr. Winch: I withdraw the word "lie". It is a misinterpretation of our position.

Mr. Morton: The record will speak for itself as far as the interpretation of their position is concerned.

They have also asked for relief against discriminatory practices and the matter of resale prices, but both opposition parties have said they will oppose this bill. It was hoped that this bill would streamline the procedure in respect of dealing with monopolies and mergers, replacing the present procedure whereby it takes nearly five years from the time the complaint is laid until the charge is made. The procedure hoped to be able to by-pass that period of time and that by prohibition or injunction of some sort the activities of those companies contravening the act might be held up and that they would not have three or four years of liberty to follow up their wrong acts.

Mr. Howard: Would the hon. member permit a question? Would he agree that one of the major reasons for delays in proceeding with these cases to their conclusion is the fact that we had a minority government elected and that the minister did not want to proceed with these things until the following election?

Mr. Morton: No. This has not been the reason for delays at any time; there have been a number of delays throughout its history. I understand that there was one minister in the Liberal government who did so either deliberately or he fumbled and bumbled the situation until it was too late to bring action, so do not blame it on any minority government.

Mr. Howard: "Deliberately" is the right word.

Mr. Morton: Under this amendment there will be a little less excuse for any delays and I think the good intentions of the government are thereby shown.

I have already spoken longer than I intended. I want simply to sum up my argument by saying this. The government has been asked to make certain changes. They are attempting to make these changes and are hoping to meet the needs of the small businessmen in this respect. Whether these changes are going to be successful or not time alone will tell. I have confidence that as time goes on and further amendments are needed the government will approach the problem with an open mind.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I have listened to the debate on this bill with very great interest and I have found it most instructive. The subject of anti-combines legislation is a difficult one. Our legislation itself has a far-reaching effect on the economy of the country, an effect which I think most objective students will agree is beneficial to the advancement of Canadian society and Canadians generally who comprise that society.

I was very much interested in the minister's presentation of the bill to the house on second reading. I was taken by his apparent attitude of being on the defensive throughout his presentation of the bill to the house, and particularly with his attempt to spend so much time defending the record of the Conservative party in this field over a number of years. His statement of the history of the matter omitted all the most important references to the records of parliament or of legislation throughout that period, although he was correct in his reference to the original date. I was curious about why he found it necessary to defend his party's history on this subject so strenuously. He had unlimited time but he chose to use his time for that purpose. I can only say that I hope students of this subject will look at the record and not take the minister's word as it stands without verifying it with the record over the years.

Throughout yesterday's debate on the bill we had a most interesting attitude revealed by the minister. He was creating the impression, at least on some of us, that he did not want the bill debated and he was interjecting regularly. No supporter of the government took any part. I am happy to see that today he has reformed. It is a very desirable reform. He has been patient in listening to the debate, and I hope he will find this small part of the debate of some constructive value

and of some interest. I am also glad to see that the supporters of the government have taken part in the debate on second reading. The bill warrants this because it is of sufficient importance to have all the examination and light which can be thrown on it by debate in the house.

It is very tempting to deal with the subject in a broad way; the whole subject of combines and anti-combines legislation is vast. Indeed I would like very much to deal with it but I think the time allocated to me can be more profitably used if I seek to examine the bill now before us in order to discern from the provisions of the bill what principles I think are involved and in what respects the bill modifies or repudiates principles in the anti-combines legislation presently existing.

For the purpose of my argument I would like to recall to the house that the minister, as reported on page 4340 of *Hansard*, made it quite clear that the bill proceeds on the basis of the inherent soundness of the principles of the present anti-combines legislation; and he went on to say that the government believes that the principles of the legislation now in effect are sound. I am somewhat mystified, if he holds that view, why he went so far in changing those principles, because I hope to show in the course of my argument that that is precisely what he has done. Through this bill he has not done what he stated in the excerpts of his speech which I quoted; rather he has through the bill submitted something which if it is enacted will change the principles of the present legislation. With that in mind I will try to develop my argument.

First of all I think reference ought to be made to the principle to be found in clause 13 of the bill dealing with the changes in section 32 of the existing act. The principle, as I understand it from this part of the bill, is the principle of defining combinations and agreements—specifically setting them out—which are now being made legal. This will be found at the bottom of page 6 of the bill where six specific types of agreement subject to certain conditions are made legal. They include agreements for the exchange of statistics, the defining of product standards, the exchange of credit information, the definition of trade terms, co-operation in research and development, and restriction of advertising.

I think most hon. members will agree it is desirable that there should be co-operation in the development of research. The development of research in this country raises a real problem, many of our companies being too small to afford the necessary organization unless it is set up in combination. I have some doubt with regard to some of the other items mentioned in that list, on the ground that these legal combinations as defined in this clause may open up an opportunity for a few persons or corporations who may be seeking to operate illegally to take advantage of this provision in order to develop combinations which would be offensive to the legislation.

However, that is not the main point I wish to make now. The point I wish to develop is that the minister, in providing that these specifically enumerated combinations should be legal, has not taken adequate steps to preserve and protect the public interest. There are many ways in which the hon. gentleman could have provided such protection. One of them would be to provide for registration of such agreements or combinations so that the director under the act would have the opportunity of examining the development of activities with regard to legal combinations. There are other methods, too. The method of registration is used in the United Kingdom, although I am aware that the legislation is different in principle from our own. But the point I am making here is that registration or some other method should be used with regard to these legal agreements or combinations for the purpose of enabling the director and other interested authorities to prevent these legal agreements being abused.

One other thing. The minister spoke about the uncertainty and difficulty experienced by certain corporations in knowing when they were doing something which might be illegal under the present act with regard to combinations. He spoke of the confusion that exists. Admittedly the legislation is difficult to interpret and determine. I am not specifically critical of the minister on that account. The act is that way, and while I think the present bill is worse, I am not expressly critical of the minister on that point. But if the minister had provided some means of protecting the public such as I have suggested, then in addition to preserving the interests of consumers he would have enabled the companies themselves to know with clarity whether their agreements or combinations were in the proper form under the act.

There is another point I wish to make, and one which concerns me greatly. It arises out of the new principle introduced in clause 17(4) of the bill. I think that for the purpose of developing my argument I should put the paragraph on record. It reads:

> In any case where subsection (2) of section 31 is applicable the Attorney General of Canada or the attorney general of the province may in his discretion institute proceedings either by way of an information under that subsection or by way of prosecution.

In the legislation as it presently stands, offences are subject to prosecution. It is quite true that an additional remedy to the penalties provided under prosecution was provided for by way of a mandatory order or a restraining order. What is provided now, as I interpret clause 17(4), is a whole new principle, that is, the substitution of a different remedy at the wish of the Attorney General of Canada or the attorney general of the province concerned in any of the ten provinces. That raises several objectionable features.

First of all, there was some doubt expressed as to the right of the crown to take jurisdiction by way of mandatory or restraining proceedings, because they were civil, and the whole basis of the anti-combines legislation as I understand it, except those sections having to do with patents and customs, is that it is the enforcement of criminal law. That is the basis upon which the federal government gets its jurisdiction, as I understand it. If I am correct as to that, then this new provision raises the whole question as to the validity of the legislation we are now being asked to enact, and there is grave doubt about the constitutionality of this measure.

This is a point that should be dealt with, because it is no longer a criminal offence to do certain of the things set out under the act; it may only be the subject matter of civil proceedings by way of information commenced by the crown for a mandatory order or a restraining order. That is a very dangerous proposition because the destruction of anti-combines legislation through the adoption of this new principle, on the grounds that it is ultra vires could, as I think all hon. members will agree, be a very serious thing. I do hope the minister when he replies to this debate will address himself to this point.

Mr. Fulton: Yes, of course. Mr. Speaker, it is close to six o'clock. When the hon. member resumes I wonder if he would be good enough to suggest to me the authority for the statement he has just made that this would become civil proceedings?

Mr. McIlraith: I intend to develop that point in the course of my argument. May I call it six o'clock?

BUSINESS OF THE HOUSE

Mr. McIlraith: I wonder if I might ask the leader of the house what is to be the business for tomorrow and Friday?

Mr. Winch: Could I ask the leader of the house whether on Monday or Tuesday the last supply motion will be taken, or whether it will be delayed beyond that time?

Mr. Churchill: It is easier for me to announce on Thursday night the business for the following week, so I will answer the latter question tomorrow.

For tomorrow, by arrangement, we will begin with item six on today's order paper, the second reading of Bill No. S-28, an act respecting a certain trade agreement between Canada and Australia. Immediately on completion of that, we shall proceed to a study of the estimates in the order I have already outlined. This will be on both Thursday and Friday, commencing with the Department of Transport.

It being two minutes past 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:

CORNWALL HIGH LEVEL BRIDGE—DOWNSTREAM PIER VOIDS

Question No. 377—**Mr. Argue:**

1. Were any voids ever found in the downstream pier of the substructure of the south channel high level bridge at Cornwall on the Canadian side?
2. If so, (a) on what dates; (b) how many were discovered; (c) what was the size of each; (d) by whom were they discovered?
3. Were remedial measures taken?
4. If so, (a) on which voids; (b) on what dates; (c) what was the nature of the measures taken; (d) by whom were they taken; (e) what was the total cost?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. Test cores, of about 2 inch diameter, showed no conclusive evidence of voids, but did indicate:

(a) minor segregations of concrete aggregates (stone, sand and cement) in the pier; and

(b) at the plane of contact between the glacial till foundation and the concrete shaft, the interstices in a shallow depth of crushed stone were filled with silty till and not intrusive grout as intended.

2. (a) Test cores: November 14, 18 and 20, 1957.

(b) and (c): Answered by 1.

(d) E. B. Owen, geologist, supervised drilling.

3. Yes.

4. (a) Answered by 1.

(b) During period November and December, 1957; April, 1958.

(c) The drilling of 21 holes through the concrete shaft to and into the till foundation; the driving of a straight-web steel sheet piling collar about 18" distant from and concentric with the the concrete shaft; the cleaning and the filling of the annular ring between the shaft and the collar with tremie concrete; the washing of the silty till from the interstices in the crushed stone at the plane of contact between the shaft and the foundation; and the filling of these interstices and areas of segregated concrete aggregates with a cement-sand grout injected through the holes under pressure.

(d) Intrusion-Prepakt Limited, subcontractor to McNamara Construction Co., Limited.

(e) Not known, as the costs of remedial measures for each shaft were not segregated.

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Questions

CORNWALL HIGH LEVEL BRIDGE—SUBSTRUCTURE SAFETY CHECK

Question No. 380—**Mr. Argue:**

1. Was an independent check ever made on the safety of the substructure of the Cornwall high level bridge?
2. If so, (a) on what date; (b) by whom; (c) by whom was it ordered; (d) what personnel was used in conducting it; (e) what actual time was spent by such personnel on location at the bridge site during the check; (f) what information was made available to this personnel conducting the check and by whom; (g) why was such a safety check considered necessary?
3. Was a report made on the findings of the personnel who conducted this safety check?
4. If so, (a) on what date; (b) by whom; (c) to whom; (d) what was the nature of the report?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. Yes.

2. (a) April 4 to October 14, 1958.

(b) Board of consultants especially appointed for the purpose.

(c) The St. Lawrence seaway authority and the U.S. army corps of engineers, the latter acting in its capacity as the design and construction agency for the Saint Lawrence Seaway Development Corporation.

(d) Emil H. Praeger of Praeger-Kavanagh, engineer, New York City; George F. Ferris, president of Raymond International Inc.; and D. F. Murphy, chief structural engineer, Foundation of Canada Engineering Corporation Limited.

(e) Not known.

(f) Core borings taken on the site of the main piers before, during and following construction, together with field and laboratory reports thereon; samples of glacial till excavated from within the caissons; copies of design computations, plans and specifications; and all available data of a pertinent nature relating to construction procedures. Furnished by the parties named in 2(c).

(g) To obtain an independent, unbiased opinion from experienced and reputable consulting engineers on the ultimate capacity and safety of the substructure to carry the superstructure and loads thereon.

3. Yes.

4. (a) (b) (c) and (d).

Report of October 14, 1958, by Messrs. E. H. Praeger, George F. Ferris and D. F. Murphy to district engineer, Buffalo district, corps of engineers (copy to seaway authority) advising of studies made concerning main piers and stating "The committee hereby reports that the piers and the soil on which they rest are now adequate to safely sustain all dead and maximum live loads". Report of October 14,

1958, by and to the above named concerning the movement of the northern abutment and recommending a stabilization procedure. Report of August 20, 1959, by Messrs. E. H. Praeger, D. F. Murphy and W. P. Kinneman (acting for Mr. George F. Ferris) to U.S. army engineer district, corps of engineers; the Saint Lawrence Seaway Development Corporation, and the St. Lawrence seaway authority reviewing further investigations and stating that "It is the unanimous finding of the board that the bridge is in an entirely safe condition. It is in better condition that it was immediately prior to the time that the original report by the board was submitted (14 October 1958)."

CORNWALL HIGH LEVEL BRIDGE—SOIL TEST BORINGS

Question No. 386—**Mr. Argue:**

1. On what date were original test borings taken in regard to soil conditions in connection with the substructure for the Cornwall high level bridge?
2. What was the name of each official, the position he held, and who took these test borings?
3. What were the results of tests, and what size cores were taken?
4. Were cores tested for strength in Canada?
5. If so, (a) what was the date of each test; (b) the name of official testing; (c) the name and location of the laboratory where the test was made?
6. Where have bore samples been kept since they were taken?
7. Were any transferred to another place? If so, where were they transferred and on what date?

Answer by: **Hon. George H. Hees (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. April to August, 1956.

2. Test borings were made under the direction of the corps of engineers, U.S. army, Buffalo district.

3. The test results indicated that the glacial till would provide adequate bearing support for the bridge piers. Cores obtained at the locations of the main bridge piers generally indicated increasing density with depth and at foundation level showed very dense glacial till. Cores obtained at the locations of the approach piers generally indicated dense to very dense glacial till with local areas of medium dense till. The glacial till was overlain by soft clay. The piers were embedded in the glacial till. Cores of dense granular material were obtained using a standard 2 inch diameter split spoon sampler. Some samples (of silty clay on Cornwall Island) were obtained using a standard Shelby tube.

4. No.

5. Answered by No. 4.

6. Cores were on display for bidding purposes at the area engineers' office, Buffalo district, Massena, N.Y. Their disposition since that time is not known.

7. Answered by No. 6.

AIRPORT TERMINAL CONTRACTS

Question No. 391—**Mr. Tucker:**

1. On what date was the contract let for the construction of the airport terminal at Saskatoon, Saskatchewan, Windsor, Ontario, Quebec city, Quebec, and St. John's, Stephenville, Gander, Newfoundland?
2. On what date was the terminal completed at each of the above airports?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. and 2.

Airport terminal	Date contract awarded	Date terminal completed
Saskatoon, Sask.	October 30, 1953	November 29, 1956
Windsor, Ont.	February 8, 1956	March 7, 1958
Quebec city, Que.	November 18, 1955	December 16, 1957
St. John's (Torbay) Nfld.	December 13, 1956	March 31, 1958
Stephenville, Nfld.	February 17, 1956	March 31, 1958
Gander, Nfld.	November 10, 1955	May 13, 1959.

HOUSE OF COMMONS

Thursday, June 2, 1960

The house met at 2.30 p.m.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, 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 bring in a measure to authorize the Canadian National Railway Company to make capital expenditures in the year 1960 not exceeding $309,950,000 and to make certain capital expenditures and enter into certain contracts prior to July 1, 1961; to authorize the national company to issue securities to provide amounts required for the authorized expenditures; to provide that, except as expressly provided, the aggregate principal amount of securities outstanding at any time shall not exceed $203,950,000; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the Minister of Finance to make loans to the said company secured by such securities and not exceeding $203,950,000 in principal amount to enable the said company to meet such expenditures and with authority to give financial aid and assistance to other companies of the national system.

Motion agreed to.

TRANSPORT

SABLE ISLAND PONIES—REPORTED INTERVENTION OF PRIME MINISTER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Prime Minister. I apologize for not giving him notice, but the press dispatch came into my office only a moment or two before I came down to the chamber. Is the report true that the Prime Minister, moved by his humanitarian instincts, mounted his white charger yesterday and came to the rescue of the Sable island ponies?

Right Hon. J. G. Diefenbaker (Prime Minister): In view of the wording of the question, I must immediately answer in the negative. I would say, however, that I have received a number of requests from organizations across Canada, and also from Canadians in several provinces, protesting against what they believed was to be the inhumanitarian course of disposal of the horses on Sable island. I may say this, that there was no justification for the statement that these horses, upon removal, were to be turned into various uses.

However, these particular animals have a long geneology. They have been with us over a period of several hundred years, and I was naturally very much touched by some of the requests that were made. I had the matter looked into, and I think it may be said with certainty that these animals and their posterity will continue to live on this island.

Mr. McIlraith: I am sure the house will be delighted with the nature of the Prime Minister's interest in ponies.

TRADE

UNITED KINGDOM—REPORTED INTENTION TO JOIN EUROPEAN ORGANIZATIONS

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to direct a question to the Minister of Trade and Commerce. In view of the announcement from Paris this morning by the United Kingdom that she is prepared to join the European coal and steel community and EURATOM, can the minister advise the house whether Canada was advised of this action prior to the announcement being made, and whether it involves any change in our preferential position in the United Kingdom market?

Hon. Gordon Churchill (Minister of Trade and Commerce): I have not seen the report of the announcement, Mr. Speaker.

GASOLINE—INQUIRY AS TO IMPORTS FROM RUSSIA

On the orders of the day:

Mr. G. R. McWilliam (Northumberland-Miramichi): I wish to direct a question to the Minister of Trade and Commerce. Will the minister advise the house whether Canada intends to import gasoline from Russia?

Hon. Gordon Churchill (Minister of Trade and Commerce): There have been rumours of an impending deal with regard to the import of gasoline from Russia. I have no specific details whatever with regard to that matter. I do not know any of the terms that are being discussed or anything of that nature.

Inquiries of the Ministry

NATIONAL DEFENCE

REPORTED DEVELOPMENT OF HYDROFOIL CRAFT BY DEFENCE RESEARCH BOARD

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of National Defence. I apologize of not having had an opportunity to send him notice of it this morning. Has the minister noted the article in the *Globe and Mail* magazine section of May 28 to the effect that the Dartmouth naval research establishment is working on developing a hydrofoil craft which is not "for commercial or military use"?

Will the minister advise the house why this scientific study is being done by the defence research board when it is not of a military nature or requirement?

Hon. G. R. Pearkes (Minister of National Defence): My impression was that this study had a military application.

GRAIN

WHEAT—INQUIRY AS TO FINAL PAYMENT FOR 1958-59 CROP

On the orders of the day:

Mr. J. N. Ormiston (Melville): I should like to direct a question to the Minister of Trade and Commerce. Is the minister in a position to tell the house when we might expect a statement from the Canadian wheat board regarding the final payment on the grain sold in the 1958-59 crop year?

Hon. Gordon Churchill (Minister of Trade and Commerce): The Canadian wheat board closed out the 1958-59 wheat account on May 20 and is presently completing all accounting details related to this crop pool. Details of the results of this account will be available early in June—perhaps this week; if not this week, then next week—at which time an announcement will be made in regard to the amount of the transfer into the 1959-60 account and the final payment rates on each of the grades of wheat delivered to the pool.

FLOODS

NORTHERN ONTARIO—STATEMENT ON REQUESTS FOR ASSISTANCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Yesterday the hon. member for Timmins (Mr. Martin) asked me whether any requests have yet been received from the Ontario government for federal financial assistance for the relief of the victims of the recent floods in northern Ontario.

[Mr. Churchill.]

I am now informed that conversations have taken place between Hon. Joseph W. Spooner, minister of lands and forests of the province of Ontario, and officials of the government. My office was informed by Mr. Spooner yesterday afternoon that a letter is now being prepared and will be forwarded to the Minister of Finance today.

POINTE GATINEAU, QUE.—STATEMENT ON REQUEST FOR ASSISTANCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the hon. member for Hull (Mr. Caron) directed a question to me, which I said I would take as notice, as to whether the Prime Minister had received a request for help for Pointe Gatineau following the flood. An examination has been made of the records and no request has been made to any department of government in that connection.

HOUSING

OTTAWA—REPORTED REJECTION OF SUBSIDIZED RENTAL PROJECT

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Public Works further to the subject I raised on Monday. Will the minister now advise the house whether the federal government or its agency, Central Mortgage and Housing Corporation, were consulted by the province of Ontario prior to the rejection by Ontario of the city of Ottawa's subsidized low-rental housing project for the underprivileged?

Hon. D. J. Walker (Minister of Public Works): So far as my knowledge goes certainly I, as the minister responsible for reporting to the house for Central Mortgage and Housing Corporation, was not consulted.

Mr. Garland: Do I take that to mean that Central Mortgage and Housing Corporation were not consulted?

Mr. Walker: They may have been in an unofficial way, but to oblige the hon. member who is so interested in housing I will be glad to make that inquiry and tell him the result.

IMMIGRATION

VANCOUVER—REPRESENTATIONS RESPECTING INVESTIGATION INTO ILLEGAL ENTRY OF CHINESE

On the orders of the day:

Mr. Frank Howard (Skeena): I would like to direct a question to either the Minister

of Citizenship and Immigration or the Minister of Justice, whichever one happens to have jurisdiction over this matter. Has either minister received any representations from the Chinese community of Vancouver protesting the methods used in the investigation into the alleged illegal entry into Canada of people from China? Could the minister indicate, if this is so, what action is contemplated as a result of these representations?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I have received no representations, and I gather by long distance communication that the Minister of Citizenship and Immigration has not received any either.

ROYAL CANADIAN NAVY

RETURN OF PERSONNEL TO VOTE IN NOVA SCOTIA ELECTION

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, may I address a question to the Minister of National Defence. Has the minister's attention been drawn to the telegram sent to the flag officer, Atlantic coast, requesting that the ships engaged in the naval exercise, which includes H.M.C.S. *Bonaventure,* be returned to Halifax in time for Canadian naval personnel to vote in the Nova Scotia election on June 7?

Hon. G. R. Pearkes (Minister of National Defence): No, Mr. Speaker, that telegram has not been drawn to my attention.

Mr. Carter: A supplementary question. Would the minister assure the house that he will look into the matter with a view to granting this request?

Mr. Pearkes: I shall be very pleased to look into the matter.

PUBLIC SERVICE

HOUSE OF COMMONS—EXTENSION OF SALARY INCREASES TO STAFF

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I would like to direct a question to the Minister of Finance. In view of the questions asked on April 4, 1960 and April 29, 1960 respectively, and the replies of the Minister of Finance to the effect that salary increases are anticipated for the House of Commons staff, would the minister indicate when the increases will be effective and whether they will be retroactive to April 1, 1960?

Hon. Donald M. Fleming (Minister of Finance): That will be a matter for the commissioners of internal economy to decide. The matter is under consideration.

Mr. Alexis Caron (Hull): As I cannot direct my question to Mr. Speaker, may I direct my question to the Minister of Finance. Is there anything new about the salary increases for the personnel of the House of Commons?

Mr. Fleming (Eglinton): Mr. Speaker, I do not know whether the hon. member heard the last question. I think I should refer him to that question and my answer to it.

Mr. Peters: A supplementary question. May I ask the minister who are the commissioners of internal economy?

Mr. Speaker: The hon. member has that information available, as have all members.

Mr. Peters: I have never heard of them.

INQUIRY AS TO APPOINTMENT OF QUEEN'S PRINTER

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I would like to know from the Prime Minister whether the nomination of the Queen's printer is still under serious and snappy consideration?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I can assure the hon. member that the answer is in the affirmative.

NATIONAL PARKS

NOVA SCOTIA—INQUIRY AS TO ESTABLISHMENT OF SECOND SITE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the acting minister of northern affairs whether the government has received any application or approach from the government of Nova Scotia with a view to the establishment of a second national park in that province.

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): Not as far as I am aware. I will have the matter inquired into and will find out, however.

AUSTRALIAN TRADE AGREEMENT ACT

LEGISLATION IMPLEMENTING CANADA-AUSTRALIA AGREEMENT

Hon. Gordon Churchill (Minister of Trade and Commerce) moved the second reading of Bill No. S-28, respecting a certain trade agreement between Canada and Australia.

He said: Mr. Speaker, the bill now before us, Bill No. S-28, consists of six clauses repealing the Australian Trade Agreement Act, 1931, and containing the usual provisions regarding the making of orders and regulations implementing the agreement, the relationship of the act to other legislation and the coming

into force of the act. The new trade agreement is attached as a schedule to the bill.

The decision to review the 1931 trade agreement was made at the commonwealth trade and economic conference in Montreal in September, 1958. The new agreement was negotiated in Canberra in March and April, 1959 by a Canadian delegation led by the late John H. English, deputy minister of trade and commerce. It is the third trade agreement between Canada and Australia, the first having been concluded in 1925 and the second in 1931.

The new agreement does not involve any changes in actual rates of duty from those presently in effect. It does, however, make some important improvements in the type of tariff treatment and the margins of preference which Australia binds or guarantees to Canadian goods. There are also concessions of a similar nature on the Canadian side. In addition, the agreement includes various new provisions dealing with such matters as the application of anti-dumping duties and consultation on economic matters.

The new agreement provides for bindings or guarantees of actual rates of duty on 12 items or subitems in the Australian tariff, whereas no rates of duty were bound under the old agreement. It also provides for guaranteed margins of preference on 53 items or subitems compared with the 33 covered by the 1931 agreement. From the Canadian point of view the new agreement not only provides increased safeguards and improved access for our exports, but establishes a better balance between concessions granted and received.

With respect to Canadian imports from Australia, the effect of the new agreement is to provide for the continuation, without substantial change, of most of the concessions which were accorded to Australia by the 1931 agreement and by a supplementary order in council which became effective October 1, 1937. It also binds in Australia's favour free entry of certain Australian products—notably raw wool, sausage casings and raw sheepskins—which were not covered by the 1931 agreement but which in fact have been free of duty for many years.

The new agreement provides also that Australia shall continue to enjoy the benefits of Canada's British preferential tariff rates in respect of all goods not specifically named. In the case of a number of products of particular interest to Australia the existing margins of preference are bound against reduction. In the case of dairy products, Canada is committed only to accord Australian dairy products the benefits of the British preferential rates of duty or any lower rates accorded to a third country.

[Mr. Churchill.]

In general, the effect of the changes which are proposed in schedule A to the agreement is to bring it up to date and to take account of changes which have taken place during the 29 years since the former agreement was negotiated.

The new agreement modifies the provisions relating to the application by Canada and Australia of anti-dumping duties to one another's goods. In the 1931 agreement each country exempted the goods of the other from their anti-dumping duties. However, in cases where material injury was being done to domestic producers either country could, after three months' notice, apply its general tariff rates. Canada and Australia agree in the new agreement that they will normally not apply anti-dumping duties to one another's products. However, article VI of the agreement provides that in cases of injury to domestic industry there shall be consultations between the two governments, and if a mutually satisfactory solution does not result within 60 days anti-dumping duties may be applied.

There is also a provision in the new agreement establishing procedures under which either government may obtain a release from obligations assumed under the agreement in order to bring about an increase in rates of duty recommended by its tariff board. The article provides for consultation regarding compensation for the concession which is being withdrawn, and if agreement is not reached for the withdrawal of equivalent concessions.

Provision is made for the setting up of consultative procedures to discuss matters arising out of the agreement and also a variety of other questions of importance to the two countries, such as import restrictions and instability in international commodity trade. This should result in much closer co-operation between Canada and Australia in the general field of international trade relations as well as the solution of any specific problems which may arise.

Two committees are being set up in order to implement this part of the agreement, the one in Canberra under the chairmanship of the secretary of the Australian department of trade and the other in Ottawa with the deputy minister of trade and commerce as chairman. To facilitate these arrangements both countries have recently appointed trade officials to one another's capitals.

With regard to consultations concerning import restrictions, hon. members will recall that an exchange of correspondence on this subject between Australian and Canadian authorities was tabled in the house on March 22. These letters set forth certain reciprocal

understandings regarding the use of import restrictions and provide for consultations regarding their application.

When the new agreement is ratified it will run for a period of three years. After this time it may be terminated on written notice of six months by either government. Thus it will provide a stable basis for the development of trade between the two countries during the next three years, and there will then be an opportunity to modify it if this appears necessary in the light of developments over this period.

The conclusion of this new trade agreement comes at a most opportune time from the point of view of Canadian exporters. Earlier this year Australia took a major step toward the removal of the import restrictions which it had been maintaining during the post-war period for balance of payments purposes. Effective February 24 Australia completely eliminated controls from 800 million of its imports, representing about 90 per cent of its total annual imports. Moreover, discrimination against dollar goods was removed from all items except motor vehicles which, it was announced, would be freed from control effective October 1, 1960. Thus in a few months' time Canada will be on exactly the same footing as non-dollar suppliers in the Australian market.

There are about 50 products still under control in Australia from all sources and some of these, such as canned salmon and primary aluminum, are of particular interest to Canada. We are, of course, hopeful that it will be possible for Australia to dismantle these controls altogether before very long.

In recent years Australia's import controls have limited the possibilities for expanding and diversifying our exports to that market and have prevented us from making full use of the tariff preferences which our goods receive there. The liberalization measures which Australia has carried out during the last 18 months in line with decisions reached at the Montreal conference have opened up a new phase in the development of our trade with this sister nation of the commonwealth. Many Canadian goods which have not been seen in Australia for a number of years, such as wrist watches, wallpaper and outboard motors, are again appearing on the market there.

I should like to repeat in this connection some words of Australia's distinguished deputy prime minister and minister of trade, Right Hon. John McEwen, on the occasion of the signing of the new trade agreement. He said:

> The increase in the total level of imports into Australia which has resulted from recent steps taken by my government, and the removal of practically all discrimination against the dollar area, should give Canadian exporters an unrivalled opportunity to expand their sales to Australia. Also this agreement will give opportunities to the greatly expanded industries of Canada to market their manufactured products in Australia. I trust they will take advantage of these opportunities and that forthcoming decades will witness even more significant developments in our mutual trade.

Both our countries are growing vigorously and offer rapidly expanding markets for one another's goods. Businessmen in both countries have been increasingly active in exploring the possibilities for expanding the flow of trade between us. A large Canadian delegation returned a month ago from a two and a half weeks' visit to Australia. In a few days' time we will have the opportunity to extend our hospitality in Ottawa to a 40-man trade delegation, the largest ever to set out from Australia, led by the eminent Australian economist and former high commissioner to Canada, Sir Douglas Copland. This mission has already visited Vancouver, Winnipeg, and Toronto, and is in Montreal this week.

There are already signs that the efforts of Canadian businessmen to expand and diversify trade with Australia are producing results. In the first three months of 1960 our exports to Australia totalled $19 million, compared with $11 million in the same period of the preceding year. In the whole of 1959 our exports to Australia reached $54.2 million, about 3 per cent above the 1958 level, and we sold in the Australian market some 207 individual products compared with 186 in the previous year.

Australia is our second largest market in the commonwealth and the seventh largest world market. It is of special importance as a market for the products of our forests and fisheries, and also for manufactured goods. In recent years our main exports to Australia have been newsprint, wood pulp, lumber, canned fish, motor vehicles, aluminum, asbestos and steel.

Canada is also important as a market for Australian goods. In 1959 our imports from that country totalled $41.2 million, and this figure would be even higher if it included the large quantity of Australian wool which Canada imports through the United Kingdom. Australia's principal sales in the Canadian market are agricultural products such as sugar, dried fruits and wool.

Our two countries have much in common. While we are competitors in some fields, our economies are to a considerable extent complementary. It is therefore logical and mutually advantageous to expand the range and volume of the trade flowing in both directions. In expressing our feelings about Canada's relations with Australia and our hopes for this new trade agreement, I can again do no better than to quote Right

Hon. John McEwen. In a foreword to the attractive brochure issued in connection with the Australian trade commission to Canada he has written:

> Canada and Australia are strongly linked through the kinship of the British commonwealth with similar loyalties and similar democratic government. This link also extends to a mutual trading partnership which has stood for a great many years. The recent trade agreement discussions, during which the 1931 Canada-Australia trade agreement was revised, should consolidate even further this close relationship.

I welcome this opportunity, Mr. Speaker, to bring before the house the trade agreement with Australia for ratification. I commend it to the attention of hon. members.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, in dealing with the bill now before the house to approve the Canada-Australia trade treaty I think there will be a remarkable degree of accord indicated on both sides of the house. As I understand the agreement, it does not introduce any new principle but rather represents the bringing up to date of the trade relations of the two countries, the last agreement having been signed almost 30 years ago.

The agreement itself was quite fully described by the minister, but I attach as much significance to the correspondence exchanged by way of amplification and explanation of the agreement which was tabled in the house some weeks ago. To me the significant provisions are those in the agreement dealing with the matter of consultation and the elaborations of that subject in the correspondence.

After the war the Australian government unfortunately found it necessary to have import controls of one sort or another by reason of their shortage of dollar exchange, and it is timely that this agreement has been signed because, so far as Australia is concerned, there is no longer the same necessity for such controls applying against countries seeking to export to them, which controls I am quite sure they felt were undesirable.

To my way of thinking the machinery of consultation is the important part of this whole relationship, because the necessity of keeping trading relations between the two countries up to date tends to be overlooked in view of the great distance between our two countries; and even though Australia is a very important market for Canada, it is not our most pressing market. I would hope that the minister in discharging his administrative responsibility will do all he can to assure that the machinery of consultation between the two governments is kept in good working condition and, if I may use the term, is kept on its toes so that it does work. Consultation in these matters requires to be continuing and continuous, not something done on one occasion and then put aside for a long period of time.

I would have liked to see the agreement cover a longer period of time. I assume that the three year term and the further six months' provision having to do with notice were all that could be obtained, and I have no special criticism because of the shortness of the time. However, I express the hope that the agreement will last for a long time and that any changes that are made in the years ahead will be improvements.

With respect to our trade with Australia, there is a real need to give attention to this subject because our exports to that country are down a little from 1955. There is an opportunity for expansion of this market. As the minister indicated, the Australian economy is growing and I would hope that we will not only maintain our relative share in that growing economy but will be able to increase it.

Our relationship with the commonwealth is very good, and these trading relationships are good. I would hope that as the years go by we could extend them. It does, of course, involve us in expanding the imports to this country. While there is no serious imbalance, there has been a balance in our favour over the years. This has been of significance to Australia because of their dollar shortage. I am not one of those who assert that Canada should balance its trade with each country on a bilateral basis. In my opinion that is too small a view, and it will not work. I mention the point because it is worthy of consideration.

We do have some limitation, of necessity, on Australian exports to this country. I am quite pleased to notice the action taken by the Australian government in removing the restrictions on the import of automobiles as of October of this year. I am one of those who have held the view that our automobile industry in Canada is in some difficulty, to some extent because it was not able to keep itself closely and accurately informed of the consumer demand in this country and was not able to develop its product to meet that consumer demand as rapidly as it should have been and at the appropriate time. However, that is their business. In any event, it has caused some difficulty.

Our exports of motor vehicles and motor vehicle parts to Australia have been quite substantial, and while the amount is small in relation to the total motor vehicle production in Canada it is something, I would hope, that

Canadian producers could develop to the advantage of Canada and to the advantage of Australia with this opportunity being enlarged later this year.

There is another interesting feature. As I understand the matter, the Australian government has increased its allocation of funds available for import purposes in this year by about £25 million Australian. I think that is the correct figure. I would hope our exporters would be able to retain their full proportion of the increase that will be available.

I do not know that there is much more I need to say at this stage. There are some things I should like to know about individual commodities, but perhaps they can be dealt with more appropriately on the minister's estimates or on some other occasion. The minister did not say so, but I expect he would wish to have this bill moved forward today so that when the Australian trade mission, which is now in Canada, arrives in Ottawa next week they will see that we really mean to approve this agreement. I do not propose, for that reason, to pursue the matter further here, and any additional information we want we can obtain on another occasion from the minister.

I would ask the minister, however, in his remarks in closing this debate, to elaborate on just what he meant when he said, in relation to maintaining the liaison committees on trade matters between the two countries, that we had appointed trade officials in each other's capital cities. We have had a trade commissioner service operating very effectively in the two countries, and I was not quite clear as to just what he meant by this sentence in his opening remarks. I would be grateful to him if, in concluding this debate, he would elaborate on it.

I am looking forward to meeting the trade mission which will be in Ottawa on Monday and which has a very distinguished head in the former Australian high commissioner to Canada, Sir Douglas Copland, as I am sure all members of the house look forward to welcoming that trade mission to our capital. I was appreciative also of the remarks by the minister concerning the Australian minister of trade and industry, who has held that position for many years and with whom I have had the opportunity of having conversations and consultations in years past.

I think there is nothing more I can usefully add at this stage of the debate, Mr. Speaker.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise on behalf of this intelligent and industrious octet in this corner of the building to express our support for the principle and purpose of this bill. Like the previous speaker, I think it is most appropriate that we should be discussing this proposed trade agreement between Canada and Australia at a time when the largest trade mission that has ever visited Canada from Australia, according to press reports, is now visiting Canada under the leadership of Sir Douglas Copland, who everyone knows from his previous service in Canada as high commissioner as a good friend of Canada and one who understands Canadian views and will do his best to promote trade and understanding between the two countries.

I noted, Mr. Speaker, according to press reports that Sir Douglas mentioned that at the present time Canada enjoys a rather big advantage with respect to our trade relationships. Let me say first, with respect to the remarks made by the hon. member for Ottawa West (Mr. McIlraith), who regretted that the duration of the treaty was not for more than three years, that I understand his point of view. However, I think the criticism is rather academic, because if this trade relationship is carried on in the future as it has been in the past there is no question about the arrangement being continued and further treaties signed to the advantage of both countries.

In the opinion of this group this trade treaty will further cement the commonwealth, particularly in view of the fact that Canada will now, on the whole, be placed on an equality with the non-dollar suppliers to Australia. I believe that is quite an advance, Mr. Speaker. This bill also assists in freer trade, which is something in which this group firmly believes. We believe in free trade, as much as possible on a worth-while basis, because we believe that is one of the things that create understanding between countries and work toward peace. According to the minister's statement the purpose is to promote freer trade relations, and the bill is the result of concessions being granted by both sides.

In our opinion the widening of opportunities for consultation is an excellent provision, and also the establishment of these committees, because we live in a world in which there are rapidly changing circumstances. These committees, under the terms of this bill, will now have an opportunity to meet and consult and make the adjustments that are required in the light of changed circumstances and of experience. We think that is all to the good.

I trust, Mr. Speaker, that as one coming from British Columbia I may express hope for the further liberalization of trade relationships between Canada and Australia which will provide for increased sales of our lumber and our fish products. As a result of this

new trade treaty I trust we shall have increased sales of the tree fruits of British Columbia, particularly apples. We have had an expanding market in that direction in recent years. To give credit where it is due, I must say it has been owing to the activity of our trade commissioner in Australia in placing before Australian purchasers and the Australian trade the grades, qualities and quantities of apples that were available from British Columbia, a thorough understanding of our marketing procedures and so on.

In conclusion all I can say is that we are confident that this bill contains the right principle, because it provides for committees representing both governments, for continuing consultation to meet changing conditions and changing circumstances, and for the consequent adjustments. We are certain that the future will indicate that this was a wise step to the advantage of both Canada and our sister nation of the commonwealth, Australia.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I do not wish to detain the house for any great length of time, but I should not like the discussion of this resolution to be concluded without saying a word in support of it and to repeat what those who have preceded me have said, namely that it is a happy circumstance that it should be introduced and, I hope, given unanimous approval at a time when we are welcoming in Canada an Australian mission headed by one whom we have good cause to know and admire. I refer to the former Australian high commissioner in Canada, Sir Douglas Copland, an extremely stimulating and intelligent person indeed whom we shall be very glad to see in Ottawa again next week.

Australia, of course, is an energetic and developing sister nation in our commonwealth. The minister has already pointed out the growing importance of the trade between our two countries. That trade in the normal course of events should grow as the two countries grow. Its potential is perhaps even more important than its actuality at the present time.

It is interesting to realize in connection with Australian development that the rate of capital investment in Australia over the last two or three years has been even higher than it has been in Canada. I think it has been 27 per cent of the gross national product, whereas in our country I believe the figure is just below that. Perhaps of greater significance is the fact that Australia has not the same kind of at least geographical access to a neighbour which could supply unlimited resources for development if it so desired. So all of this 27 per cent has come from Australian sources except 10 per cent, whereas in Canada I think only about—and I may be wrong in my figure—70 per cent has come from domestic sources, a fact which I think has an interesting significance in relation to our own situation. As one of the members of the Australian mission is reported as having said the other day, "You have gone too far in your dependence on foreign capital". Perhaps if that capital had been as easily accessible to Australia as it has been to Canada more of it might have gone into that country.

At the same time I think it is also true to say that the Australian government has exercised a kind of control—the minister will correct me if I am wrong—over investment which we have not found so necessary in Canada. In the situation which faces us, with our own greater dependence on foreign capital, it is not likely that we would be able to participate to any great extent, as I do not think we have done in the past in this capital development in Australia. Perhaps the time is coming however—and I have seen a reference to this matter recently in connection with the Australian mission—when Canadian subsidiaries of United States corporations could be a source of expansion into Australia rather than have that expansion, when it occurs, come from the parent companies. For one thing a Canadian subsidiary would have more experience in dealing with a smaller market. This is something which in the future may be of some advantage to us.

We talk a great deal, and quite rightly, about the importance to Canada of the development of the freest possible trade in the widest possible Atlantic area—Atlantic free trade; about the building up of the Atlantic economic community. Nothing could be much more important for us than that, of course. But a discussion of this kind makes us conscious of the fact that even the Atlantic area would not be enough, that we have important trading partnerships within the commonwealth. In the step which I hope we are taking to associate Canada with this European development we must not forget that somehow or other we must bring into that association, if it can be done, other nations of the commonwealth so this area will have an even wider expansion than the north Atlantic.

All I need say in conclusion, Mr. Speaker, is that we welcome this arrangement. It is perhaps not as far-reaching as it might have been, but it is a useful one. It will help both countries, and I think it will play a good part in strengthening the economic and other relations between the two countries. In that connection perhaps I should reiterate what has already been said on this subject by the

hon. member who just preceded me, namely that we owe a special debt of gratitude to officials of the Department of Trade and Commerce and the Department of External Affairs who over the years have played such an important role in developing and strengthening these good relationships.

Mr. E. J. Broome (Vancouver South): As a member from British Columbia, and more specifically from the constituency of Vancouver South, may I say that we are particularly interested in this trade agreement. I was greatly struck by the words of the Leader of the Opposition when he spoke about our preoccupation with Atlantic matters and pointed out that on the other side of this nation lies an equally vast ocean with equally great trade opportunities awaiting development.

This is a new agreement which will bring a measure of stability, so that importers and exporters will know the conditions under which they can conduct business. There is the relaxation of currency controls, and the fact that over the last few years we have improved communications with Australia to a tremendous extent. We now have modern, fast ocean-going liners complete with refrigeration space making regular sailings between Vancouver and Australian and New Zealand ports. The Canadian flag air carrier is based in Vancouver, with services by air to New Zealand and Australia.

We on the west coast are tremendously interested in the development of increased trade with Australia and other countries in the Far East. We welcome the thought left with us by the minister, namely that even the few remaining items which affect us to a considerable extent will shortly be released from currency restrictions.

We realize that trade is a two-way street. We realize that if we are going to sell, we must buy. The economy of Australia is largely complementary to ours. We welcome the thought of increased trade both coming in and going out.

We think this is a step toward that larger pattern of trade, particularly within the commonwealth, which is getting away from a purely North American trade pattern. We welcome this agreement and we are sure that in years to come this trade will increase and not only will double but may triple and go even further than that.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I just want to say a few words in welcoming and supporting second reading of this bill, respecting a certain trade agreement between Canada and Australia. I do so from two bases, one sentimental and one materialistic.

The sentimental basis is because I have been told by some that I am half kangaroo. I think I am one of the blessed men in that my mother was born in Australia, my father was born in England, and I live in Canada. If you can beat that combination I would like to know how. So I say that on a sentimental basis I am very happy about the bill now before us.

I appreciate very much the opportunity I had last fall of spending some six weeks in Australia as a member of the commonwealth parliamentary association. In that period of six weeks I had the opportunity of talking with some of the premiers and cabinet ministers of the various states of Australia, and I became quite disturbed at some of their indications as to a change in trade relationships between Canada and Australia, particularly because I felt it would have an effect on my province of British Columbia. It is because of what I heard there that I want to express my personal appreciation of the visit to Canada of the Australian trade delegation, and I was pleased to read in the press their enthusiasm about what they maintain is the success of their mission. I too look forward to meeting with some of them this coming week.

I would like to suggest through you, Mr. Speaker, that trade is not a one-way street. Trade is something which has to be worked for and fought for, and in expressing our terrific appreciation at the visit of the Australian trade commission I think in turn we should send one just as strong, virile and enthusiastic to Australia, and not only to Australia but to other parts of the commonwealth as well.

Very briefly I want to support what the Leader of the Opposition mentioned, namely that Canada is an exporting nation. Canada depends upon exports for its very livelihood and standard of living. We have already seen the development in Europe of the Inner Six and the Outer Seven; and if we read the journals of the world we can see the possibility —the probability—of other economic formations being brought into being, perhaps in the Latin American countries as well.

This poses a very serious problem to Canada. We must give consideration to these developments, but I believe that something we can do now is to have a closer relationship and greater exchange between governments and industry, between members of the commonwealth, because there in the commonwealth I think lies the greatest economic expansion in the world in the way of transfer from one country to another of the produce which we are able to export.

I would just like to say that sentimentally I welcome this agreement. On a material basis I welcome it, though I certainly hope that the Minister of Trade and Commerce will see to it that we do not remain satisfied just with the passage of a trade agreement which will be in effect for three years but that we will reciprocate with Australia and send a trade mission ourselves into every part of the commonwealth.

Mr. Churchill: Mr. Speaker—

Mr. Deputy Speaker: I must inform the house that if the minister speaks now he will close the debate.

Mr. Churchill: Mr. Speaker, I will just take a few minutes to conclude this debate which has shown that the house is unanimous in recording its approval, as it will in a few minutes, of the Canada-Australia trade agreement. We have had an expression of opinion here today which I think indicates the bond that links Canada and Australia very closely, not only the bond of commonwealth attachment but the bond which is established through trading relations which have been good over the years.

I think the trade mission which is arriving on Sunday and will be in Ottawa on Monday will appreciate the fact that the House of Commons has acted in this manner today. The measure before us is of importance, but by the good sense of the house we are not spending overly much time on it. That is not because we do not realize that this matter affects greatly the economies of both Australia and Canada; I think it is because we believe that the job has already been done by those who discussed the trade agreement in the conferences which were held, and it is left now to the House of Commons to put its stamp of approval on a first class piece of work which was done by the officials on both sides. Our trade with Australia is important and we hope it will grow, just as they hope their trade with us will expand.

I mentioned in the course of my earlier remarks that a large group of Canadian businessmen have been in Australia on a trade mission of their own and have just returned. I hope before too long it will be possible for us to send to Australia another trade mission in order to further explore the possibilities of trade with that country; and in the light of the present agreement, with air travel now available, it is possible to expand our trade activities around the world as has been suggested. Later on this session I hope to be able to put before the house some ideas we have in that regard.

The hon. member for Ottawa West asked for an explanation of the appointment of officials in the two capitals. We have had trade commissioners in Australia stationed in Sydney and Melbourne, I think it is, but it seemed advisable to put a third man in the capital city, and Mr. Nickson of our department recently arrived in Australia. Similarly the Australian government has placed a commercial counsellor here in Ottawa. The advantage of that arrangement is this, and we do it in other countries of the world. The commercial counsellor living in the capital city can readily get in touch with departmental officials on matters which are of concern. We had in mind here that the problem of consultation would be met immediately by having on the spot in the capital city of each country a commercial representative. Both this country and Australia have quickly taken up that idea and those appointments have been made.

Mr. McIlraith: Just before the minister leaves that point, I wonder if I might ask him a question; I want to clear up the matter. As I understand it these new trade officials are in addition to the existing trade officials in each country; it is not just a change of organization?

Mr. Churchill: The hon. member is quite right; they are in addition to the trade commissioners already active in the two countries.

Mr. McIlraith: Thank you.

Mr. Churchill: Mr. Speaker, the question arose as to the length of the agreement. It is stipulated in one of the terms that it runs for three years. The 1931 agreement had a provision which stated that it would run for one year and thereafter until notice was given, and it ran for 29 years. This trade agreement, which contains a stipulation that it will run for three years, with similar notice before it is terminated, may have a very long life ahead of it. I hope it has.

I believe this marks a further step forward in our trade relations with one of our good trading customers. I can assure the Australians—and I will tell the mission this when it arrives on Monday—that Canadian businessmen will be just as keen as they are to expand business between the two countries. We have things they need, and they have materials and foodstuffs that we can use in Canada. There is a chance for businessmen in the two countries to get acquainted through trade mission activities. Behind those trade missions is the approval of both governments, as is evident from this trade agreement which is a substantial improvement over the earlier agreement. The way is clear to the advance ment of trade between Canada and Australia

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

SUPPLY

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

DEPARTMENT OF TRANSPORT

402. Departmental administration (including the former St. Lawrence river joint board of engineers —Canadian section), $2,732,470.

Mr. Chevrier: I expect the minister will make a statement?

Hon. George H. Hees (Minister of Transport): Mr. Chairman, reference to the blue book on estimates will show that the main estimates for 1960-61 of the Department of Transport and the several other agencies reporting through me amount to $250,912,244. The total figure last year was $269,136,950. The greater part of the indicated decrease of approximately $19 million pertains to the department proper, and in the course of my remarks I shall draw attention to the major items included in the decrease.

During the past few years I have dealt with these estimates according to the three main services of the department, namely canals, marine and air. This format was selected because it made for ease of reference to the blue book. From the tenor of the remarks made by hon. members in the past I gathered that they found the format satisfactory.

Before turning to the canals service, however, let me deal with the matter of the size of our departmental establishment. Last year I reported a total strength of 13,407 employees for all positions, either full time or part time. This figure was increased to 13,620 in last year's supplementary estimates. The various programs covered by the estimates now before this committee will require the employment of 14,196 individuals, or an increase of approximately 4 per cent. In brief, the increase is related to what may be referred to as normal growth arising from the operation of additional ships, airports, navigational aids, etc.

Turning now to the canals service, it will be noted that the four votes appearing on page 73 total slightly under $5 million. This means we contemplate a reduction in expenditure of close to $2,500,000 as compared to the figure for last year. This substantial change is related partly to some expected improvement in operating costs of the non-toll canals transferred to the St. Lawrence seaway authority. Mainly, however, it is due to the completion of a number of large construction projects on those canals for which moneys were voted last year. An example of this was the bridge across the Lachine canal at Ville St. Pierre; $350,000 was voted for that work. The closing of the Soulanges canal is another significant contributing factor.

There are two capital items which stand out in these canal appropriations. First, we are providing $270,000 for the government's contribution toward the new high-level bridge at Kars, which will replace our old swing bridge and fixed bridge spans on the Rideau canal. Second, a further $530,000 is included for rehabilitating the old bed of the second Welland canal. This is a project we have embarked upon following entry into agreement with the several municipalities concerned.

Total funds needed for our marine operations will approximate $43 million. The appropriation for administration, operation and maintenance of our departmental fleet, as well as the chartering of vessels to supplement that equipment, accounts for more than 40 per cent of the figure I have just mentioned.

This administrative responsibility extends to the design, construction, operation, repair, maintenance, etc., of vessels engaged in many different types of work. These operational roles include supply of lighthouses on coastal and inland waters, operation of a weather station in the Pacific ocean, icebreaking and ice patrols, sea transportation of supplies to the D.E.W. line, the mid-Canada line, joint weather stations, and stevedoring at northern points of call.

As would be expected in a vote of this size and general scope in which there are 17 different kinds of expenditures, we find various increases and decreases. The net change, though, is quite small, comparatively speaking; $490,654, to be exact. On the increase side, the chief change pertains to salaries and wages, which are up some $768,000, and this is due to a 10 per cent salary revision for ships' crews approved in 1959, and the commissioning this year of the new icebreaker *John A. Macdonald.* This diesel-electric, triple screw icebreaker, powered by engines developing 18,000 horsepower, will stand comparison with any icebreaking ship in the world. As for the decreases, these relate mainly to a sharply decreased volume of cargo to be transported to Frobisher and some D.E.W. line stations because of completion of large construction projects. During the 1959 shipping season the total sealift to the many northern points, that is to say for all government departments and for United States government account, amounted to no less than 102,000 tons.

Before leaving this particular vote I wish to mention one development of the past year which I am sure will meet with your approval. When I explained our main estimates last year I referred to our take-over in 1959 of the sealift to D.E.W. line stations on the east coast of Baffin island. I stated this meant that Canada would then be performing the entire sealift for D.E.W. line stations on Canadian soil. This program of progressive take-over will be extended even further in 1960. In recent months an agreement has been reached between the Department of Transport and the United States air force whereby we have undertaken to provide transportation of the supplies and equipment for the several Gap-Pine stations along the Labrador coast. It is certainly gratifying to note the increasing capability being demonstrated by Canadian personnel, both commercial and governmental, in the performance of this difficult work. I would like to take this opportunity of commending, for their splendid co-operation, the United States government agencies with which we have been working. Unquestionably that spirit of co-operation has greatly facilitated the task of my department.

During the past year our program for the construction of new vessels and repair of existing vessels has gone forward quite rapidly. Consequently we are planning in terms of a substantial reduction in capital outlay. Since our 1959-60 estimates were approved we have accepted deliveries of several ships. The larger of these, apart from the *Sir John A. Macdonald,* are the *Camsell,* which will be the first Canadian icebreaker assigned to support shipping in the western Arctic; two shallow draft, icebreaking and buoy vessels with search and rescue qualities, namely the *Simon Fraser,* operating from Victoria, and the *Tupper* operating from Charlottetown; three units, the *Sir William Alexander* working out of Halifax and the *Sir Humphrey Gilbert* and *Wolfe* working out of St. John's, Newfoundland, on supply work and light icebreaking; and the *Alexander Henry,* a supply light icebreaker ship for service in the upper great lakes, based at Parry Sound.

Residents of the immediate areas will no doubt be pleased to learn that the two ferry vessels, one for the Pelee Island-Ontario service and the other for the Bell Island-Newfoundland service, will be delivered in the very near future. Our proposed program contemplates preparation of plans and specifications this year for certain additional units, particularly replacements for two or three more of our older agency supply ships and possibly replacements for our ocean weather station ships. Among the items presently under study is a cable-laying ship would would be strengthened for icebreaking work as well.

Regardless of my expressed intention to follow the order in which the various departmental services are listed in the blue book, I wish to mention at this point an item actually covered by vote 425. This vote is somewhat similar in that it pertains to ship construction, in this case auto-ferry vessels. In December, 1959 a contract for very close to $3 million was awarded to Halifax Shipyards. It was for the construction of a ferry with capacity for 68 automobiles and 300 passengers which will ply between Nova Scotia and Prince Edward Island. The three ferries now in use include two which were built some 40 years ago. For this reason and, furthermore, because of the continued growth in traffic, construction of this additional ship is considered essential. We are seeking approval of payments totalling $1,860,000 to be made in this fiscal year.

Operation and maintenance of aids to navigation is a work which continues from year to year at an unusually consistent rate. This will be the case again during the coming year. The estimated outlay of $6 million provides for a program basically the same, both as to volume and make-up.

During the past few years we have been pushing ahead with a program of replacing the wharves and buildings located at our marine agency depots. This work of rehabilitation is essential because the existing structures are very old and quite inadequate to meet present day requirements. This program may take up to 10 years to complete, but it is aimed at providing at such ports as St. John's, Newfoundland; Charlottetown, Prince Edward Island; Dartmouth, Nova Scotia; Saint John, New Brunswick; Quebec, province of Quebec; Sorel, Quebec; Prescott, Ontario; Parry Sound, Ontario; Victoria, British Columbia; and Prince Rupert, British Columbia, a complex consisting of a modern wharf, office and stores building, shops building, etc.

Up to the present time very satisfactory progress has been achieved. This type of construction must be phased over a period of approximately three years in each instance. The stages of construction on some of these projects are such that there will be a reduction in expenditure in 1960-61. For example, the sum of $400,000 was required last year for the new wharf at the St. John's, Newfoundland agency. The second stage of that project is the construction of the office and stores building, and approximately $80,000 will be sufficient for this purpose.

The granting of wage increases in 1959 to ships' personnel is a consideration which also had to be covered in appropriations related to deficits on ferry services. Examination of those items will disclose that we are providing approximately $800,000 additional for the Borden-Tormentine and Sydney-Newfoundland ports ferry operations, and the wage increase accounts for most of that revision. Whilst referring to ferry operations I might mention a rather sizeable expenditure of $400,000 to improve conditions at North Sydney, where heavy congestion of shipments occurred due to inadequacy of railway trackage. To remedy this it is proposed to lay additional trackage and lengthen five existing yard tracks.

Improvement of facilities and equipment required to expedite and facilitate traffic moving to Newfoundland coastal points is being attended to as rapidly as possible. I spoke last summer of our intention to proceed with construction of two passenger-cargo vessels. One of these will be ready in the fall of 1960, the other in the spring of 1961. Whereas $800,000 was allotted for the wharves and freight sheds at Corner Brook and Lewisporte, we must provide well over $2 million to cover the next stage of the work.

I shall now attempt to cite the highlights of our air services, the listing for which begins on page 77. I use the word "attempt" intentionally because this particular service embraces a wide and varied assortment of responsibilities and operations. It is a role which has grown tremendously in size and nature as transportation by air continues its explosive expansion.

The aggregate of the several appropriations related to our telecommunications branch is down slightly from last year, the reduction being just under 4 per cent. The major part of this change is related to the construction or acquisition of buildings and equipment for radio aids to air and marine navigation. Nevertheless the proposed capital outlay is very substantial, for it totals $12,252,000. Something like $2 million of this will be devoted to extension of our program for the installation of instrument landing systems to facilitate the landing of aircraft under poor weather conditions. We are estimating $1.9 million for new or improved low and high frequency aids such as marine radio beacons and non-directional beacons for the various airways across Canada.

In the make-up of this vote the term "communications" appears frequently, and some $5.5 million is allotted for this. The types of equipment are far too numerous for me to attempt any general enumeration. One of the very large requirements is for the installation of transmitters at marine stations where the existing equipment, in many cases as old as 40 years, does not meet the frequency tolerances demanded. Also, at many aeradio stations in northern Canada the present high frequency equipment is subject to blackouts caused by sun spot activity. To assure reliable communications we must supplement with low frequency equipment. The construction of dwellings for personnel at isolated or semi-isolated locations will cost upward of $1.5 million.

The estimated combined costs of both administering and operating our meteorological service in 1960-61, as well as attending to the necessary capital requirements of that service, differ very little from last year's costs. It is true that the printed estimates show a very substantial increase, an increase of $2,325,000 to be exact. However, the actual increase is far less. This year we have included approximately $2 million for services we provide on behalf of the Department of National Defence. In previous years this amount was incorporated in national defence estimates.

Before leaving the meteorological estimates, I do wish to refer to a subject of which I have made mention on numerous occasions. Recruitment of properly qualified personnel for the meteorological service has for the past several years been indeed one of our most difficult problems. Individuals possessing the required qualifications are in demand in other quarters such as in the teaching profession. Recently we have granted salary increases which we expect will improve matters. Further improvement in this connection is under way, and we are carrying out a long term program with respect to recruitment and training. We are very hopeful that these measures will tend to overcome our difficulties, but it appears as though it will take a few years to remedy the situation.

During the course of the statement I gave to the committee last year I pointed out that we were seeking approval of funds for civil aviation requirements which were 17 per cent in excess of those voted for the previous year. For the coming year, I am happy to report, we have managed to plan a program which dollar-wise represents a reduction of between 8 per cent and 9 per cent. It is a program designed to satisfy what we believe to be the most urgent demands of aviation. It will not, mind you, begin to satisfy all quarters. One has to be in close touch daily with the situation to form any true appreciation of the number, variety, extent, etc. of the demands presented by this, the jet age. Many of the problems are obvious to every

one of us—longer, wider and stronger runways, bigger aircraft, larger air terminal buildings, more convenient parking areas, and so forth. This is not so, however, with what one might call the hidden requirements.

Air traffic control is a good case in point. Ten years ago controlled landings and take-offs were occurring in Canada at the rate of 800,000 per year but in the coming year the number will exceed 3½ million. Add to this the factor of jet aircraft travelling at three times the speed. The old system involving elaborate display boards in control centres with slips of paper indicating position, altitude and speed of aircraft is being superseded by technological developments utilizing various types of radar, the transfer of radar pictures to closed circuit television, and possibly the adoption of electronic computers to perform speedily the wide variety of calculations.

Here is another clear-cut illustration of the demands generated by technological advancement in aircraft design. Very recently we have taken steps to establish a new high altitude airway, above the 24,000 foot level, for the use of jet aircraft exclusively. Air traffic control is but one of the demands; yet the expenditure this year will total over $7 million, including services and facilities supplied to the Department of National Defence but paid for by the Department of Transport.

Another example I might cite is that of aircraft rescue and fire fighting services. Here we have a problem to which intensive study has been and is being given by all countries directly affected by the advent of jet aircraft. Obviously this task is magnified by the weight, passenger capacity and landing speed of the jet airliner, even though at many airports the R.C.A.F. performs a major part of the function. To illustrate the expansion in this area, we have ordered 13 additional large fire fighting trucks to supplement the existing 78. At present we employ 137 fire fighters at airports but now we must hire an additional 102 and the wage bill alone will reach approximately $1.5 million yearly. Over and above this we have on order a number of crash trucks, water tenders and aerial ladders.

In the area of construction associated with new or improved air terminal buildings, runways, landing strips, heating plants, entrance roads and the many other facilities that go into the make-up of the modern airport, we are forging ahead very satisfactorily. During the coming year the terminal buildings at Halifax, Montreal, Ottawa and Regina will be ready for operation and we will be proceeding with the initial stages of the new layout of the airports at Winnipeg and Edmonton.

[Mr. Hees.]

Despite the unceasing demand for the many improved facilities, we have managed, in keeping with the general budgeting policy, to prepare a 1960-61 program entailing an expenditure of approximately $8 million less than the appropriation approved for 1959-60. The proposed outlay totals $52 million, of which $18 million is earmarked for airport terminal buildings. If time permitted I would single out for the committee's information some of the more outstanding projects interspersed among the list, which runs to several pages. In lieu of that I have had prepared a statement enumerating the projects in the $100,000 or over category for which provision is made in this vote but which are not shown in the details given in the blue book. I shall be glad to furnish a copy of this to any member desiring it. I might also add that the summary details our marine construction projects as well.

Mr. Chevrier: Mr. Chairman, I think the committee will be grateful to the minister for the excellent statement he has just given to us which will assist us very materially in the discussion of these estimates. I think the committee will also be happy to have before it a list of the projects costing over $100,000 which the department intends to put into being during the course of the present fiscal year.

The minister, as has been the case in the past, has divided his statement, generally speaking, under three heads, namely water, air and rail facilities. As one listened to the remarks made by the minister one matter primarily attracted our attention and that is the tremendous amounts that are being spent from year to year by the Department of Transport. While it is true that there has been a decrease this year, mainly, I think, because of the large expenditure last year for the St. Lawrence seaway, the expenditures which are made by this huge department are indicative of the importance of the part it is playing in the field of transportation.

There is no doubt in the minds of those of us who sit on this side of the house, and I think this applies to most hon. members who have given the subject of transportation any thought, that because of the age in which we live the department must of necessity take on greater importance, and I am wondering whether the government has given consideration to a division of the responsibilities of the department. I say this with all deference to the minister. It is not that I think that he is incapable of fulfilling the duties which a minister of transport must fulfil, but I think that consideration should be given to this matter having regard to the very important duties and responsibilities that fall on the

Department of Transport. This may not be a popular suggestion so far as some members of the department are concerned but nevertheless I think that if the government has not already given this matter consideration it should do so because of the tremendous importance of the department and because of the fact that it is gathering greater and greater momentum as time and technological development go on.

It may well be that the department could be divided into two parts with railway and canal services forming one department and aviation forming another. The minister will say that this is not a novel or new idea. In fact it is not because I know that before we left office in 1957 serious consideration was being given by the former prime minister to a division of the department although not necessarily along these lines. It seems to me that the duties and responsibilities of the department are such that as time goes on the importance of the department, if not in this year then certainly in the near future, will almost compel the government to divide these responsibilities into at least two parts.

I come to another matter with which the minister did not deal, unfortunately. I would have thought that in the course of his statement the minister would have given some indication of the policies of the government with reference to certain aspects of his department. What is the policy of the government with reference to air services? What is the policy of the government with reference to bilateral air agreements? What is the policy of the government in the field of scheduled and non-scheduled air services? There has been not the slightest indication by the minister on this occasion, and I am sorry to say on previous occasions, of these policies, and because of certain matters to which I have referred in the past and to which I intend to refer briefly now, there should I think be a clear-cut declaration of policy on the part of the government in so far as these fields are concerned.

I think that had the policy been defined by the minister it would have been much easier for those of us who sit on this side of the house, and who like to be constructive in our criticism, to have disposed more quickly of the matters that are under discussion at the moment. On prior occasions I stated that the government was giving away Canadian sovereignty in the air, and that it was discriminating against small air lines in favour of the larger, more powerful ones and, in turn, because of that, the government was discriminating against the outlying regions of our country. At that time the minister made light of my remarks and passed them over as being nonsensical or ridiculous.

I am sorry that he felt disposed to deal with them in that manner because the events that have taken place since have indicated that the remarks made at that time were not only serious but have been supported by the evidence which was given in a committee of the house. I think it was stated by the minister on one occasion that I spoke on behalf of monopoly and vested interests. Unfortunately for the air lines concerned, it now turns out that it is the converse which is true. Not only have the smaller air lines become apprehensive of what is taking place in the field of aviation, but Trans-Canada Air Lines particularly have become extremely anxious about the position in which they find themselves because of the policy of the government with reference to bilateral air agreements, consequent upon the policy of the government in the field of international aviation.

I should like to refer for a moment now to the evidence given before the committee on railways, air lines and shipping by the president of Trans-Canada Air Lines. I made the statement in the house at one juncture that because of the budget for Trans-Canada Air Lines, which the minister tabled in the early part of the session and which indicated that in order to purchase new equipment the amount of many available would be the sum of nil dollars from net income; I had not drawn a conclusion at the time, but I asked a qusetion as to whether or not this might well be indicative of a position in which Trans-Canada Air Lines might find itself because of the international aviation policy of the government. The minister thought that that conclusion was not justified. None the less when Trans-Canada Air Lines tabled its report for 1959 it indicated that its net income was the lowest for all time in its history, namely about $152,000.

Later when the president of Trans-Canada Air Lines gave evidence before the committee he indicated that the loss of revenue from the operation of B.O.A.C. into Toronto would amount to $6 million gross revenue per year, and that the loss of revenue arising out of the recent bilateral route which was awarded by the government and the onward rights which were awarded to Air France and Lufthansa from Montreal to Chicago would amount to an actual loss to Trans-Canada Air Lines of $200,000 per year. The statement which was made at the time, and which I repeat now, is that because of these bilaterals which granted Lufthansa, Alitalia and Air France onward rights from Montreal

to Chicago which T.C.A. does not possess, and who are going to compete directly with T.C.A., there would eventually be a substantial loss. In this particular case Trans-Canada Air Lines has not got a non-stop flight from Montreal to Chicago. It must come down at Toronto and is, therefore, at a loss in so far as competition goes with these foreign air lines and because of the policy of the government in this field Trans-Canada Air Lines has been detrimentally affected.

While I am not able to go as far, perhaps, as some of the witnesses went before the committee on railways and shipping, I believe it is safe to conclude that in the year 1960 the financial position, the profit and loss position of Trans-Canada Air Lines will be worse than it was in 1959. I should like to place on the record here, for the benefit of those who were not members of this committee, the questions and answers which can be found on page 340 of proceedings No. 3 of the committee on railways, air lines and shipping, for Thursday, March 31, 1960:

Mr. Chevrier: Mr. Chairman, I would like to ask a question in a different field, and it is this: What has been the effect on T.C.A.'s operations of the prolongation of the B.O.A.C. operations to Toronto?

Mr. McGregor: It has only been in effect since March 1 and it is, therefore, a little bit early to say. However, we have calculated the effect of what would be a gross revenue loss of about $6 million.

Mr. Chevrier: Per year?

Mr. McGregor: Yes, per year. It is a figure which will have a tendency to be cut in half by the pooling.

Mr. Chevrier: I see. I suppose that accounts for the pooling agreement between B.O.A.C. and T.C.A. on the trans-Atlantic flight?

Mr. McGregor: Yes, it played its part.

Mr. Chevrier: Is it now in operation?

Mr. McGregor: Yes, also as of March 1.

Mr. Chevrier: Could I ask a similar question with reference to the other air carriers—Lufthansa and Air France—operating directly from the continent to Montreal-Chicago non-stop, and its effect on the revenue position of T.C.A.?

Mr. McGregor: We estimated that, Mr. Chevrier, but, as I say, it is difficult to say that because a passenger is carried on that non-stop operation he necessarily would have travelled on T.C.A. had that operation not existed. We have an estimated figure, but I must say it is no better than that. We can give you that, included in our report.

Later there was added as an appendix to the report the amount which I mentioned earlier, namely appendix E, "Trans-Canada Air Lines, forecast impact on T.C.A. of recent bilateral route awards" as affected by Air France and Lufthansa on the Montreal-Chicago route of $200,000 per year. The anxieties which were expressed at the time by those of us who took part in this debate have now been confirmed by the president of Trans-Canada Air Lines. So much so have they been confirmed that the president has found it necessary to enter into a pooling arrangement with B.O.A.C. in connection with the north Atlantic services performed by T.C.A. The loss to T.C.A. from the granting of these onward rights is substantial. I think that consideration ought to be given at once by the minister to a renegotiation of these bilateral agreements or, in the alternative, to a renegotiation of the bilateral agreement with the United States which would give the T.C.A. and other Canadian carriers the right to operate into certain lucrative airports of the United States and would offset the losses that have been caused by the negotiation of these recent bilateral agreements.

It seems to me that all of this has been done in the name of competition. No one was more anxious that there should be competition than was my friend the Minister of Transport when he sat on this side of the house. However, when he moved over to the other side of the house he had an expert look into this whole field of transportation and there was produced the Wheatcroft report. I have no fault to find with the Wheatcroft report. On the contrary; I think the Wheatcroft report is excellent in many respects. Unfortunately, however, the minister has not seen fit to follow that report. The competition to which Trans-Canada Air Lines is being subjected is going to mean financial loss to the company.

But I believe this position of competition also applies in the field of domestic air services. I think it is unfortunate that the minister did not see fit to indicate to the committee what the government policy was with reference to those services. I think it can also be said that in this field of domestic air services there is on the part of the government, through the initiation of the minister, a tendency to allow far too much competition. That tendency was indicated by the decontrol of groups C and B, the one on July 18, 1958 and the other on December 21, 1958. The opening up of these two categories of air services to competition was a serious matter. The result has been a tremendous number of bankruptcies. Certainly there have been a larger number of bankruptcies than anyone would have expected would occur.

I placed on the order paper a starred question in connection with this matter. The answer the minister gave was that six aviation companies had gone into bankruptcy since July 18, 1958, the date of the announcement of the decontrol of group C; that 38 air companies had applied for suspension of services; that 15 companies had applied for cancellation of their permits; and that 15 companies had had their permits cancelled. It seems to me that this is clearly indicative

of this new policy of competition in every field which has meant that many of these companies have been unable to carry on. They had difficulties previously but those difficulties became insurmountable and it was not possible for them to carry on; hence these bankruptcies and these suspensions of services.

This is exactly what the air industries and transport association foreshadowed in their brief to the Prime Minister and the Minister of Transport at the annual association meeting which they held in Montreal in October of last year and again in a subsequent meeting which they held in Victoria some short time ago.

There is also an extremely unsatisfactory situation with regard to Autair Helicopter Services. Surely the minister has not given the house a satisfactory answer in so far as this company is concerned. I have no intention of repeating what I said on an earlier occasion dealing with the subject of Autair Helicopter Services. However, I want to say one thing, namely that there is in existence an air transport board which functions in accordance with the terms of the Aeronautics Act. I am sorry to tell the minister that he has not allowed the air transport board to function in accordance with the terms of this act but has interfered with the functions of the air transport board on at least two occasions. The first occasion is that of Autair Helicopter Services and the other is that of Georgian Bay Airways Limited.

In the case of Autair Helicopter Services, an application was made by that company before the air transport board. A public hearing was held by the board in Montreal and after careful consideration by the members of the air transport board they declined to grant the application. However, upon appeal the minister overruled the board. I say now, as I said before, that the minister should not have interfered in a judicial matter. Had it been purely a question of fact, that would have been an entirely different matter. However, it was not purely a question of fact; it was a matter of a judicial nature. When the Aeronautics Act was passed by this parliament I think the intention clearly was that while an appeal lay to the minister in certain circumstances, in so far as the legal aspect was concerned the matter was for the air transport board to determine.

The result has been extremely unfortunate in so far as this company is concerned and in so far as the air transport board is concerned. With the overruling of the board by the minister we have no proof of financial responsibility. A number of accidents have taken place. I believe there have been seven, four in 1959 and three already in 1960, in connection with Autair Services Limited.

A letter written by the air transport board to Autair Helicopter Services has gone unanswered. No attention has been paid to this regulating and governing body by an air services corporation which exists and which is subject to the jurisdiction of the board.

I would like to put this letter on *Hansard*. It is dated February 4, 1959 and was obtained in answer to a notice of motion tabled in this house. It is addressed by the secretary of the air transport board to Autair Helicopter Services and reads:

Dear Sir,

This is further to our letter of January 7th in connection with the removal of the restriction limiting your company to the use of certain helicopters under board decision No. 1111.

Our audit section finds that it cannot make a proper study of your application because it has no up to date financial information other than operating reports for the period from commencement of operations to December 31, 1958. The following information should be provided:

(1) A balance sheet of Autair Helicopter Services Ltd. as at December 31, 1958.

(2) A consolidated balance sheet of Autair Helicopter Services Ltd. and subsidiaries as at December 31, 1958.

(3) Full information regarding all helicopters acquired or to be acquired since the date of the above balance sheet, including type or types, estimated cost and proposed method of financing purchase.

(4) Full information regarding terms of repayment of any long term debts which may be included in the above suggested balance sheets.

As soon as the above has been received, your application will be further processed.

As far as I know there has not only been no reply to that letter, but there has been an utter and total disregard by an aircraft company operating in this country under the jurisdiction of the air transport board of that governing body. If I am wrong in that assumption I hope the minister will correct me, but I gathered from the information which was obtained earlier that Autair Helicopter Services paid no attention whatsoever and carried on as if the air transport board had never existed at all. In fact, not only did they carry on; they had been operating in the province of Quebec without a licence for a period of several months. I made that statement on an earlier occasion and I repeat it now. The minister said that they did not operate with his knowledge and that may well be; but the point is that the air transport board has in its possession information which would indicate that they did operate without a licence and that the owner of that corporation operated with a private licence only. That certainly is contrary to the rules and regulations established under the Aeronautics Act and applicable to other aircraft companies in Canada.

I think the minister should not have interfered with the decision of the board, because if he had not interfered with the decision of the board this company would have either had to abide by the regulations of the air transport board and its procedures or it would not have been able to operate at all.

There is a great deal more than that in connection with this matter. This company has had its insurance cancelled twice. It has also obtained from the government, through the Minister of Mines and Technical Surveys, a very important contract on the polar shelf involving several hundred thousand dollars. What about these professional men, these workers skilled and otherwise, who are being transported by this company in the north, that not only has had its insurance cancelled but which presently is insured by an unrecognized company in the United States? From the information I have indications are that this company may also cancel the insurance of the company as they have been unable to find any insurance adjuster to handle the accidents which were listed by the minister which took place in 1960.

The Deputy Chairman: I am sorry to advise the hon. member that his time has expired.

Mr. Hees: Carry on.

The Deputy Chairman: Does the committee give unanimous consent to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Chevrier: Thank you. I was under the impression that I had unlimited time; I am apparently in error. I am grateful to the committee and I will try and shorten this as much as I can.

I was going on to say that the Minister of Mines and Technical Surveys gave indication some time ago that this company had had experience on the D.E.W. line. His statement was that the pilots of Autair Helicopter Services had had experience on the D.E.W. line. The information I have is that at the time the contract was awarded and this company was preparing to leave for the polar shelf, which was in April, 1960, there were three pilots in the employ of that company. One of them had a total experience of bush flying of 30 days which he had acquired at Knob Lake three years ago; neither of the other two pilots on the polar continental shelf contract had had any previous Arctic experience.

I think the least the minister can do is to hold an investigation, as he was asked to do by those of us who sit on this side of the house. He should hold an investigation at least for the safety of those people who may be transported on the helicopters of this company. Surely this is not asking too much. If we were asking this with no evidence of what had transpired I think the minister would be well within his rights in refusing. But we are asking an investigation of a company that has had no experience in operating on the polar shelf; that has already had seven accidents; that has had its insurance cancelled twice; and, most important of all, it is a company whose application was turned down by the governing body in the Department of Transport dealing with these applications after a hearing held in Montreal. For that reason I again say that the minister was in error in overruling the air transport board, in granting the application, and that because of the reasons I have given, which I believe to be serious, there should be a full investigation by the minister into the operations of this company.

Before I resume my seat I would like to say a word about Georgian Bay Airways Limited. This to my mind is a more serious situation than that of Autair Helicopter Services. This case is more serious because when the application was made for a class 4 charter commercial air service with group B aircraft the air transport board declined the application after hearing testimony in Timmins. Incidentally, may I tell the minister that although a motion was passed for the production of the decision of the board, the transcript of the evidence and several other items, I have not received these yet and I hope it will be possible for me to obtain them in due course.

In the case of Georgian Bay Airways Limited, the application was made for a class 4 charter commercial service with group B aircraft and it was declined by the air transport board after the air transport board had given careful consideration, not only to the position of this company in so far as its equipment was concerned but also in so far as its over-all position was concerned.

In this case the minister did not overrule the board. He did worse than that; he changed the law. The minister, by order in council, passed a regulation which amended the law and which allowed Georgian Bay aircraft company to make another application for practically the same service. I would like to refer to the order in council which changed the regulations. It is P.C.60/65 dated January 15, 1960 and the substantive part of the order reads as follows:

> The commercial air service regulations are amended by revoking subsection (1) of section 6 and substituting therefor the following:
>
> 6. (1) Applicants for licences to operate commercial air services in all classes other than class 1 are exempted from the operation of subsection 3

of section 15 of the act, provided that in substitution therefor applicants for licences to operate classes 2 and 3, group A of class 4, classes 5 and 6 shall satisfy the board that the proposed commercial air services would be in the public interest.

Until that time an application such as was made by Georgian Bay Airways Limited was controlled by section 15(3) of the Aeronautics Act which reads:

The board shall not issue any such licence unless it is satisfied that the proposed commercial air service is and will be required by the present and future public convenience and necessity.

The air transport board, after hearing evidence at Timmins, came to the conclusion that in the light of the present and future public convenience and necessity the application should not be granted.

My submission is that the minister should have amended the act. He ought not to have allowed this company to enter by the back door, by making an amendment to these regulations, but he should have come forward and amended the Aeronautics Act, stipulating that the present and future public convenience and necessity provision was no longer required to be shown by aircraft companies of this kind, but that in future they need only show proof of public interest if that was the intention. I maintain that when so much has been said by those who sit on the other side of the house about a bill of rights, if there are two methods by which a result can be brought about—and I submit there were not—then at least the least objectionable method is the one which should have been taken.

Again I should like to bring this to the attention of the committee. It is doubtful whether in view of what has been done that the air transport board may not be liable to legal action for having done something by virtue of an order in council which should have been done by virtue of an amendment to a statute. So it seems to me that in this sense the matter is more serious than the Autair case.

The granting of this licence was a circumventing of parliament. It confirms exactly what the air industries and transport association have been saying to the Prime Minister and the government, namely what is the use of having an air transport board if its decisions are to be circumvented, in one case by the minister overruling the board and in the other case by the passing of an order in council which cancels what is contained in the act? It seems to me that this is a direct challenge to the functions of the air transport board, and that the action taken in this case strikes at the very root of parliament.

There are a number of other items which I should like to discuss, but the committee has been generous. I will not proceed further than to mention them. There is the very important question of winter navigation on the St. Lawrence. There have been contradictory statements in this respect. The minister made a statement at Baie Comeau. The Prime Minister made a directly opposite statement at Halifax. I have the statements here and can put them on record. Certainly, the minister made his views perfectly clear in so far as winter navigation was concerned. It was also made quite clear in the speech delivered by the parliamentary secretary to the Minister of Public Works. I quote from the speech made by the minister to the Dominion Marine Association and the lake carriers association on January 22, 1958:

With this group of ships available it should be possible within the next few years to meet virtually all the requirements in the St. Lawrence and gulf areas including such winter shipping as may wish to proceed to the various ports in the lower St. Lawrence, even as far as Quebec, and in the gulf and Atlantic areas generally.

When this was put to the minister in the course of questions on orders of the day, he interjected: "Up to but not necessarily as far as Quebec."

I wish to place on record in *Hansard* what the Prime Minister said in Halifax and in Saint John. The right hon. gentleman wanted, surely, to reassure the people of those two ports, and he did reassure them according to the report which appeared in the Montreal *Gazette* of November 16, 1959, when the following appeared:

He reassured Halifax and Saint John, New Brunswick, port officials by saying his government has no plans to keep the St. Lawrence river open in winter. Reports of such a scheme have brought protests from maritime shipping men who say the winter business they depend on may be lost.

Again in the Ottawa *Citizen* of November 19 the following appeared:

Transport Minister Hees said Tuesday maritime ports have no reason to worry about plans to keep ports along the St. Lawrence north shore open during the winter months.

In fact, he told reporters as he entered a cabinet meeting, north shore communities had told him that they probably would buy their supplies in Saint John or Halifax if their ports are kept open. The maritimes will definitely benefit from this, he said.

I am wondering if this is another case where the government is proceeding without plans or is it simply a matter of prevarication, because there can be no doubt about the minister's statement where he said that winter navigation would be provided, if it were required and necessary, right up to the port of Quebec.

I wish to say just a word about the construction of an additional bridge. Perhaps we can get some explanation of this from the hon. member for Saint John-Albert. He is

the hon. gentleman who asked a question in the house one day. I do not think he received a satisfactory reply but there is no doubt about the minister's statement in that respect.

Let me say a final word about the construction of a new bridge between Montreal and the south shore east of the Jacques Cartier bridge. I have on more than one occasion beginning in 1957 referred to a report which is in the Department of Transport entitled "The St. Lawrence Ship Channel and Montreal Harbour Committee of 1950; report on the terms of reference thereof". This is a report which dealt with the construction of facilities in the Montreal harbour and east of that harbour that would have to be undertaken following the completion of the St. Lawrence seaway. The report is a voluminous one. I have only the report dealing with one reference but there are four or five references. Somewhere in this report it is stated that a bridge should be constructed east of the Jacques Cartier bridge linking Montreal and the south shore. I advocated this again in 1958 and saw that sometime afterwards the associate minister of defence had indicated his approval of construction of that nature. In fact, I believe the hon. gentleman went to an association or group in Montreal and said he thought they should make representations for the construction of that bridge.

The point I want to make now is that the minister certainly did not give his colleague very much assistance in that respect when he wrote to the mayors of the municipalities on the south shore. I will not embarrass the minister by putting the correspondence on the record but the minister wrote a letter under date of February 13, 1959 to all of the mayors, the concluding part of which would indicate that regardless of other considerations the course of wisdom for whichever authority might assume responsibility would be to wait at least until the effects of the new Champlain bridge could be examined before undertaking the very substantial financial outlay which would be involved in the construction of yet another bridge.

The minister has in his possession a survey of traffic in Montreal made by traffic experts of the city of Montreal and province of Quebec over the bridges which indicates the probable effect of all of the bridges, the Jacques Cartier bridge, the Victoria bridge and the new Champlain bridge. Notwithstanding that, there are in the city of Montreal, I believe, experts who have come to the conclusion that another bridge is necessary. I know that decisions like this cannot be taken overnight and must be given careful consideration but I urge the minister in the light of the traffic report which he has received—I guess it is dated 1957—and in the light of the representations which I am sure must have been made to him by many groups and associations in the city of Montreal to give consideration now to the planning and surveying that might be necessary for the construction of an additional bridge east of the Jacques Cartier bridge.

There are other matters with which I should like to deal but I will leave them for consideration as the various items of the department come up during the course of the discussion in this committee.

(Translation):

Mr. Asselin: Mr. Chairman, I should like to ask the hon. member for Laurier whether he would allow me a question.

Mr. Chevrier: Certainly.

Mr. Asselin: The hon. member has referred to winter navigation. May I ask whether he himself and his party are in favour of winter navigation up to Quebec?

Mr. Chevrier: Mr. Chairman, I can very easily answer that question, because I have answered it on two previous occasions. The first time was at Quebec, where I had gone to give a talk, and the second was in reply to a question I was asked last winter during our party convention at the Chateau Laurier.

The reply to the question of the hon. member for Charlevoix is as follows: our party is in favour of providing services when they are required to promote industry where necessary, whether it is a matter of supplying icebreakers or other services to promote winter navigation to a port such as Quebec, for instance.

Now, as regards Atlantic ports, in reply to a question by a member from the maritime provinces about Saint John and Halifax harbours, I added that if the committee on railways, canals and telegraph lines had accepted my recommendation that an economic study be made of the impact of the St. Lawrence seaway on every part of Canada, we might be in a position to know if the impact on those ports has been favourable or otherwise. And should the results be adverse as the hon. member for Saint John-Albert (Mr. Bell), and others are inclined to believe, the government could then take proper remedial steps.

However, with regard to winter navigation to the port of Quebec, my party, as the record shows, did everything that the Quebec port authorities had asked for.

Mr. Asselin: Mr. Chairman, I should like to ask another question of the hon. member, if he does not mind.

(Text):

The Deputy Chairman: Order. The Chair recognizes the hon. member for Port Arthur.

Mr. Fisher: I do not want to interfere with the hon. member's questioning but perhaps he will have an opportunity to ask questions later. At times the Minister of Transport strikes me as being a rather gay socialist and at others as a fay free enterpriser. The previous speaker has given an indication as to where these free enterprise instincts have led the minister as far as Autair, T.C.A., and the Georgian Bay commitments are concerned.

I thought the minister was somewhat bland in his outline and in his reference to the fact that his department has shown only a 4 per cent growth. I remember that the hon. member in opposition—forgive me for ever bringing up the way people handle themselves in opposition—urged the previous administration to cut down the growing government service. Now the hon. gentleman's tune has changed. If this scale of growth is across the board we can imagine what will be the size of the civil service if this government remains in power for as long as the previous one.

I expected that the minister might have given us in addition to an outline of the work of his department a review of the transportation picture in Canada. It is in a rather bad snafu. I think this stems from the fact that Canadians cannot and never have been able to make up their minds, just as the minister has not, whether transport is to be an ancillary or a main field of government enterprise. If you want to put it more directly, where should private enterprise fit into the transport picture? I have never been able to see that we have any definite public consensus as to this situation.

I have been following very closely the hearings of the royal commission on transportation. I think the report of their proceedings now covers pretty close to 20,000 pages. The commission has sat throughout the country in the various provinces and has received a tremendous number of briefs. In glancing at the proceedings it is apparent that one can enumerate a tremendous number of transportation problems throughout the country, and it seems to me that with such a vigorous minister, a minister with so much pep and energy and with so much enthusiasm, we might expect more leadership with regard to our transportation problems than we are getting from him or are likely to get from the royal commission.

I think it is fair for me to comment about the royal commision that in the main it has spent most of its time, as a result of the cross-examination by railway counsel and counsel for the western provinces, on the problem of the Crowsnest rates, which is one of the fundamental transportation enigmas in Canada. But when you examine the briefs that have been presented by the province of Quebec, the province of Ontario and the Atlantic provinces you get a picture of our transportation problems that is much broader than merely the Crowsnest rates and, Lord knows, the Crowsnest rates are problem enough.

If we start in the maritimes field we find a wide difference of opinion over the Chignecto canal. There are wide differences of opinion as between Halifax and Saint John and Quebec with respect to the topic mentioned by the previous speaker, winter shipping on the St. Lawrence river. It is apparent from the brief presented by the province of Quebec that that province feels very strongly and intends to insist—one might almost say demand—that the shipping season be extended on the St. Lawrence, and it is also apparent from the scope of the enterprises that are being established and have been established in Labrador that a much longer shipping season is expected out of Seven Islands. What is involved is not only a full ocean shipping season for the transport of ore to the east coast of the United States but also a longer shipping season into the port of Montreal. I have figures here indicating that the difference between the cost of goods landed at Halifax or Saint John and shipped westward into Upper Canada, as the maritimers say, and goods landed at Montreal is on the average somewhere between $12 and $16 a ton. This indicates to me a rather enormous potential saving for shippers and the economy.

But against this the minister has to balance, as we do, the effect on the maritime ports that would result from encouraging the transfer of shipments to Montreal. This is one of the very large issues in the eastern part of Canada into which the development of the Chignecto canal and even the causeway to Prince Edward Island perhaps fit. It is something that indicates the turmoil in our transportation situation at the present time and the need for clear leadership.

I agree with the hon. member for Laurier that there seems to be a contradiction in the policy or what masquerades as the policy of the government with respect to winter shiptalking to an engineer who is familiar with ping on the St. Lawrence. I gather from the Montreal harbour situation that if sufficient research were put into the matter it might be possible to do something about preventing at least for the month of December

and perhaps for another month early in the spring the building up of ice from the bottom that takes place in the channels of Montreal harbour and really chokes off the shipping season sooner than one might expect. If that particular problem could be prevented in the stretch of water up as far as Montreal harbour there would certainly seem to be no reason why we should not be considering not only winter shipping into Quebec city but winter shipping into Montreal. I think we have to realize that until some real revolution in technology occurs the locks up river from Montreal are not going to be open for any longer period.

With regard to the general transportation problems of the province of Quebec, the Hon. Mr. Johnson, who presented the Quebec brief to the royal commission on transportation, was very forthright in his demands and requests for a whole host of things in terms of transportation services. He ranged all the way from insisting that the signs at Dorval airport should be in both languages to the argument that it was unfair that the Ontario Northland railway happened to tap part of Quebec. He went further and argued that the railway building policy of the government of Canada had not been fair to Quebec and he had a number of statistical analyses showing that development by the railways of Canada had resulted in less mileage per capita in Quebec than anywhere else.

He followed up this argument, which I personally could not appreciate, with something that I could appreciate, the need of a more forthright developmental policy by the railways in opening up Quebec's resources. Before he finished he went so far as to say that if the federal government would not give aid the province would not hesitate at all to jump into the field with truck highways or railroads.

When we come to the submissions of the province of Ontario we find that in the main the brief is a very extreme criticism of the Canadian railways. The point is made repeatedly that the province of Ontario is not satisfied with the railway services it has got. The opinion is expressed very strongly that the reason highway development and truck transportation have advanced as much as they have is that the railways have not given the service that they should, that they have become decadent industries in a dynamic economy. Again this is something that I personally cannot quite swallow but it emphasizes what has become a fairly popular view about our railway problems in Canada.

Again, the tragedies in terms of employment that have occurred on the railways, the dislocation of the labour force, the shifting of the labour force, the problems at Stratford and London about which the minister has been probed, indicate that all is not well within this field and that we need forthright leadership. I hope the minister noted that the report of the parliamentary committee on the government railways contained one very succinct paragraph indicating strong dissatisfaction with the role played by Canadian National Railways in its public relations with the communities that the railway services. I think the minister has to do a job of interpreting that paragraph to the Canadian National management because one of the most serious of all employment problems, one that fits into the transportation picture, is the great cut-back that has taken place and is going to take place in the railway labour force. There is a need for the very best of relations between the railways, the unions and the communities involved to see that this is done in as fair a way as possible.

We would suggest to the minister that he should be in a position to outline to us what the government accepts as its responsibility in so far as this dislocation is concerned. He probably knows that at the present time the responsibility is diffuse. The province accepts some responsibility and the Department of Labour accepts some but we are not sure where the railways stand. They have agreements with the unions that are not particularly clear, and it seems to me that the minister could play a much larger role than he has. I think he should be embarrassed by the part he has played in situations such as the London one where all he did was to get up and say that the president of the C.N.R. had refused to meet a delegation or that the C.N.R. did not feel it could consider this matter at the present time.

I could interject here, Mr. Chairman, and say that the minister has a great predilection to concentrate his interests, his public speeches, his optimism, upon the air service side of transportation. We have a total picture of transportation in Canada into which the government has been feet first for a long time. We have pipe lines, air transportation, highway transportation, water transportation and canals, in addition to air services. If the railway situation, in economic terms, has become decadent, if we have an over-mature or declining industry, then it seems to me, and I think the minister knows this, that it raises very real problems in so far as the dislocation of the labour force is concerned.

Mr. Hees: Might I just point out something to the hon. member. I know there is a municipality in his own riding, I believe, the municipality of Sioux Lookout, which had a

problem that the hon. member for Port Arthur brought to my attention. I had the Canadian National officials go there for a special meeting with the town council of Sioux Lookout, and as a result of that a very satisfactory arrangement was worked out. I received a very nice letter from the mayor of Sioux Lookout which told me how pleased he was with the situation.

I made a special request of the president of the Canadian National, even after they had completed their examination of the London situation. A complete re-examination of the whole situation was made from top to bottom but unfortunately they could not come to any different conclusion. However, this was not through lack of effort on my part or interest on my part, and nothing could be done to change the decision.

Mr. Fisher: I thank the minister, but Sioux Lookout is just outside my constituency. I am interested in it because it was my birthplace. I agree that the compromise arrangement is satisfactory in the short term, but what I have been trying to suggest to the minister has been that there is a much larger problem here. Who is responsible, for example, for the decline or the complete disruption of communities? I am not suggesting that the government should be, but the government has accepted a special responsibility in the Elliot Lake and the Bancroft situations. What is the responsibility in so far as railway problems are concerned?

If automation is having this grave effect, as we can see it is, in the transportation industry, surely this should be a matter of concern to more than the Minister of Labour. I would suggest that it should be a very real problem for the Minister of Transport, if he is indeed in charge or his department is in charge of the over-all transportation policy for the country. You not only have to look at the dynamic part of transportation, such as jets flying faster and runways getting longer, but also at the slipping, declining parts of the transportation picture.

When you look at the situation in northwestern Ontario or northern Ontario—I think the minister is aware that one could go on for a very long time in so far as transportation is concerned—you can give some examples of situations about which the people are not satisfied. We are not satisfied with the way the work is progressing at the lakehead terminals. This is only indirectly connected with the minister's department since the Minister of Public Works has to bear major responsibility. The discontent is more than local. This discontent spreads over the prairies because the farmers expected so much more from the seaway than was actually experienced. Whether it is true or false, there is a belief that this government and the previous government had not prepared facilities for helping us to compete with Duluth and the other United States ports. My own feeling is that this mood is exaggerated, but here again we have not had a clear policy integrating this problem with the highway situation and the railways with any developments that they are going to make in the lakehead terminals.

The minister is aware of the fact that the western provinces and the cities of the lakehead were so disturbed about the situation they formed a special port association with the idea of promoting the whole affair and developing more policies. This again indicates that there has been a vacuum or something close to a vacuum in the minister's department in not having an over-all policy laid down in this connection that was readily understandable. Surely when you have communities such as these that are relatively isolated, that are in a dudgeon and worked up about a number of things in this transportation picture, it indicates a lack of clarity on the part of the senior administrative agency. I would suggest to the minister that his department is responsible.

I have recently drawn to his attention complaints about icebreaking. The prairie farmers think it is important, and the lakehead communities think it is important in terms of employment that the elevators have boats at them as early as possible in the spring, and that the boats are able to get service from these elevators as late as possible in the fall. I have had accusations made at the lakehead to the effect that both the prairie farmers and the lakehead people were let down by the icebreaker service this year when the *Alexander Henry* was pulled out of the harbour prematurely. The ironical part of the situation is that the president of the lakehead harbour commission appointed by the minister—we will assume he is a good Conservative, and in any event he is a fine man—is the head of a particular elevator. His elevator had to wait 12 days after the opening of shipping, according to the information I have, before a ship was able to get to the dock and get any grain out of that very large elevator. The reason was that the government icebreaker had not bothered to go to that particular elevator to open it up for shipping. We see, therefore, that even the minister's own friends suffered from this action.

We have a shipyard at the lakehead, and this is another aspect of the over-all transportation picture that is most unsatisfactory.

There were all these dreams sponsored by the present minister for external affairs and the Minister of Transport himself when in opposition, that when the Conservative millennium came—that would be immediately after the election—we would have a salt water fleet in being, and have a great expansion in this particular field. All I know is that our particular shipyard has not built anything of substance for a long time. I know that the shipyards in British Columbia are in a bad way and that the shipyard at Collingwood is within sight of the end of its orders. We have a depressed industry, again in this vitally important part of the transportation picture. I know the minister has given encouragement where he could by awarding contracts here and there for relatively minor craft, but the fact remains that in this aspect of the transportation picture Canada has no fleet. Where is our salt water fleet?

Again we find we have not the kind of leadership we expected from this particular department. When you get to the prairies, in so far as the transportation picture is concerned we find there are still complaints about the meteorological service provided by the department. This is in the agricultural field, so I suppose there will be western members speaking about that.

However, I should like to return to the problem with which the royal commission has been preoccupied, that is the freight rate structure and the Crowsnest pass rates. What is going to be the solution for the dilemma of the subsidy picture? I think we are entitled to know how the minister plans to handle the situation that is developing between the railways and the unions which are now in negotiation. The conciliation stage has been reached. We not only have the situation that any award to the unions will put the railways in a more difficult position, but we may have a strike. We also have the situation where the $20 million subsidy is beginning to come to an end. This is the minister's responsibilty. He fathered the bill in the house, took it into committee, brought it back and we approved it. Then $20 million was pumped into the freight rate structure of Canada. This amount was allocated for one year and that year is almost up.

The royal commission on transportation which was to give us some kind of solution to this particular problem has set up hearings for next October. If that commission comes up with any kind of substantial report many more months will ensue. Where are we going to go with the $20 million subsidy? What is the interim measure we can count on from this government to ease the burden upon the shippers or are they going to allow the rates to go back up to the 17 per cent picture?

Before I leave the Crowsnest rates may I say that it seems to me that the government has given us a regrettable lack of leadership and direction in this particular field. The Prime Minister gave the assurance in the house before the commission was appointed that the Crowsnest rates, in so far as the agreement was concerned, would not be touched. I think that is the kind of commitment we can understand. But this leaves the only alternative, it seems to me, of some kind of Chinese face-saving device so that the agreement does not completely lapse for the C.P.R. and then something is going to come from the taxpayers' pocket; I refer to the general taxpayers. That seems to be the only solution. That is really the basic argument underlying the royal commission on transportation.

It seems to me that we shall never clear up one of the biggest problems of the transport picture until we get leadership from this government on two things. One is a final solution, even if it must be spread over a number of years, for the grain carrying dilemmas of the railways. The second is some formula by which the railway workers' wages can be arrived at. As long as the railways are going to be controlled and regulated there must be some formula that is accepted by the nation as a whole on which these wages can find a parity.

Again we get no indication that the government is working in a leadership way to develop such a formula. It is leaving it to the normal channels which I would agree are perfectly sound in most industries. I refer to the contest between labour and management. But this is not a proper kind of contest when you have the railways so regulated as they are by the board of transport commissioners and vulnerable to decisions of this particular parliament in so far as grain rates are concerned.

I do not know whether the white goods formula is the one that needs to be transferred to the railway industry to determine the wage structure but I certainly feel that we have every right to expect leadership from the minister in developing a wage formula set-up for the railways. Despite the relationship that I or my political party might have, I would even go so far as to suggest that this formula should come no matter what management may feel about it and no matter what labour may feel about it. We need to get a working formula in this field. I am not going to suggest to the minister what it should be but I certainly suggest to him and

his department that he should be developing this policy and making it part of the public view and the public discussion, in fairness to all parties in the partnership.

As to British Columbia, we have a British Columbian in our party who will touch on what appears to be one of the fundamental transportation problems in British Columbia, namely the famed Kettle Valley railway. I know this is a vital part of the minister's responsibility. But the other aspect of the British Columbia picture that fits into the railway transportation is the long problem that province has had since confederation to get its products into the eastern Canadian market at some kind of competitive position.

It is obvious from the submission that British Columbia again has made to the royal commission on transportation that they are not satisfied. I know that one of the dilemmas here is that if you give too many concessions to British Columbia to put their goods into the eastern Canadian market, it means that they can cut the throats of suppliers much closer at hand who also have the same type of products. I am thinking in terms of fruit and lumber and situations like that. I do not know what the way out of that particular dilemma is but I certainly know that it is a large enough and strong enough issue that we need some indication from the government of what it plans to do.

One of the things we expected from the minister this session was changes in the Canada Shipping Act. I still do not know whether we are going to get them. I thought he might let us know what the situation is in so far as United States progress is concerned under their particular act, and whether he is really ready at this time to give us these changes. I know that the basic problem here is that we have never had explained fully in Canada why the head of the United States coastguard takes a so much stronger view of safety than does the minister's own department. Why is it that the admiral in charge of the United States coastguard is so strongly against the opening up of licensing to foreign ships in comparison to the lengths to which the Canadian government will go? The minister's department is quite prepared to license foreign captains and mates for navigation in the lakes and to go much further than, as I understand it, the admiral is willing to go. Why is it that this department puts a so much smaller premium on safety than does the United States coastguard? I do not think we can assume that the admiral is a fool. I think we are aware of the fact that a number of accidents are taking place in the lakes. There was a serious one in the lakes just a few days ago in which foreign ships were involved. It seems to me that we might expect something in this particular field from the minister.

The minister gave us a survey not too long ago of what his government and the department were doing with regard to harbours. I was interested that one of the hon. members on the government side rose in his place and touted some harbours on down the lake from Oshawa. I think Oshawa is extremely lucky to have a minister in the cabinet to get the benefit of the act and the development that it is probably going to get. But the unexplained part of the minister's sermon to me is an explanation over-all as to just how this developing harbour picture along the lakes is going to fit into the over-all economic development. I think we are entitled to ask this question because one of the great expectations really up until last fall was that the lakes would become open to foreign shipping and there was a real doubt that our own domestic shipping was going to be able to survive.

The minister went to Windsor last November, I believe, and gave a speech which was really an indicator that his department felt that lake shipping was going to be more than able to hold its own against foreign shipping; in other words, that there was not going to be the revolutionary switch that so many people had counted upon. This indicates that a good deal of the dreaming and many of the grandiose plans—and I think some of the dreaming and the grandiose stuff was encouraged by the hon. member for Laurier—are not coming to fruition and are most unlikely to do so. This raises in my mind the question as to how accurate these surveys may be; what are the norms or the standards that these surveys crews are taking in judging the potential both of the harbour and the hinterland of the harbour; the way it can fit in with competing harbours along the way and the whole national growth. I can underline this matter for the minister by saying how relatively disappointed the people in our part of the country and the west have been over the failure of the opening of the seaway last year to generate more traffic than it did.

A lot of people are still dissatisfied with the Welland canal tolls. Here again is another transportation problem which is still a very live topic.

The Chairman: I am sorry to interrupt the hon. member but his time has expired.

Mr. Hees: Carry on.

Mr. Fisher: I shall only be another minute or two.

The Chairman: Does the committee give unanimous consent to allow the hon. member to continue?

Some hon. Members: Agreed.

Mr. Fisher: The Welland canal situation is still an issue so far as tolls are concerned. The minister may think it is a dead issue but he is still getting briefs and representations. There is dissatisfaction in the west with the tolls structure, and I think here again we could expect more in the way of a final solution to the dissatisfaction over the toll structure on the Welland canal.

I would also welcome it very much if the minister later in the estimates would give us a picture of the expenditures that the United States is making along the Detroit section of the seaway, and also at Sault Ste. Marie so far as the deepening of the canal there is concerned. It certainly seems to me that when the United States is finally faced with the total cost of what they are putting up so far as the seaway is concerned, we may have opened up another argumentative chapter in the Welland canal tolls. It certainly does not make sense to me that they should deepen the Sault Ste Marie canal to the depth of the Welland canal and not expect some return from Canada. I am wondering if that return might possibly be a dropping of the tolls of the Welland canal, which as I understand it go right to the Canadian government and to no other. We hope to have the opportunity later on in the estimates to go into almost every phase of the department's activities and we look forward to seeing the minister and his friendly presence with us for many more days.

Mr. Horner (Jasper-Edson): Would the hon. member permit a question. I was interested in his remarks with regard to the Crowsnest pass rates. I wondered if the C.C.F. policy was that they would advocate scrapping these rates; but I understand he would let us down years. Is this the C.C.F.'s policy at the moment?

Mr. Fisher: I should like to remind the hon. member that I am not that big a sucker. What I was suggesting was that both the railways and the western provinces are focussing attention on the Crowsnest pass rates before the royal commission on transportation. It seems to me that this is just one part of the railway problem.

Personally I and most of my associates are not frightened by the word "subsidy" or "subvention". We know that what is going to come out of the situation, whether the agreement lasts or not, is that somehow the railways are going to be given more money. All I was suggesting was some kind of realistic leadership from our political leaders rather than leaving it to be thrashed out ad nauseam before the royal commission. It seems to me we have had a failure of political leadership by the government in not solving this situation.

If the hon. member would like to know my recommendations in this regard they are to find out what the cost differentiation is between hauling the grain and what is actually received then some kind of formula for over the years could be prepared to see that the money comes back to the railways as far as the difference is concerned.

An hon. Member: Order.

Mr. Fisher: Having said that, I think the hon. member knows that this cost difference is very debatable. I notice someone is calling order. I believe I have the right—

Mr. Pigeon: You have made your speech.

Mr. Fisher: I understand, Mr. Chairman, that in committee once someone else has got to his feet and made an interjection one can carry on for another half an hour. However, I do not intend to do that; that is all I have to say.

Mr. McGrath: Mr. Chairman, nowhere else is the Minister of Transport's department so important than in my part of the country. Consequently I want to deal in general with certain aspects of the minister's department. I am thinking specifically of the marine services, the Canadian National Railways, Trans-Canada Air Lines and the hotel services of the Canadian National Railways.

The principal reason, a very important one, why we consider the minister's department so important to our part of the country is that we are a province largely undeveloped from the point of view of transportation. We still do not have the services of a trans-Canada highway across our province. We still depend largely on the Canadian National Railways to transport our goods from east to west; and we are dependent on the marine services of the minister's department, including the steamship services of the Canadian National Railways, as a vital source of supply around our coast line.

We were very happy last year to see the arrival of two new icebreakers to be based at St. John's. I might say that these icebreakers are largely the result of the great personal interest the minister has taken in our part of the country and I wish to thank him for that at this moment. However, the arrival of these two icebreakers did succeed in focussing attention on a problem which I feel necessary to bring to his attention, and that is the rates of pay of seamen employed on the department's vessels.

It has been brought to my attention that seamen in the Newfoundland agency of the minister's department receive less pay than their counterparts in the Nova Scotia agency or the Prince Edward Island agency of the minister's department; and the maritime seamen receive less pay than their counterparts in the Quebec agencies. These men are doing similar work and of times are working side by side, yet their rates of pay vary and I am sorry to say very considerably. I think consideration should certainly be given to equalizing the rates of pay of these men doing similar work under similar conditions who are carrying out a very vital and necessary role in the life and trade of this nation.

The second point I would draw to the attention of the committee is under the heading of the Canadian National Railways. This is a subject I have brought to the minister's attention in previous sessions during the passage of his estimates. I refer specifically to the necessity for enlarging the Canadian National Railways Newfoundland hotel at St. John's. I believe, although I do not have the facts to back up this contention, that the Newfoundland hotel is one of the few C.N.R. hotels across Canada that actually makes a profit.

I have some very interesting figures I would like to place on record with regard to hotel accommodation. The latest available figures—my source is the dominion bureau of statistics—indicate that Newfoundland is far behind other provinces in Canada in hotel accommodation. I realize that the minister will say this is not solely his responsibility and that he would expect free enterprise to move in and fill this gap; but when free enterprise fails to move in then I think it is his responsibility. I think specifically of Canadian National Railways.

For example, in the city of St. John's there is one major hotel—the C.N.R. Newfoundland hotel—and four small hotels with a total of 405 beds for a metropolitan city of well over 80,000 population. The city of Saint John, New Brunswick, a city of comparable size, has six hotels, with a total accommodation of 1,013. It is interesting to note that the city of Halifax which has recently had an addition made to its C.N.R. hotel, the Nova Scotian hotel, has more beds, more hotel accommodation, than the whole province of Newfoundland. I say this to underline the necessity of the Canadian National Railways making a substantial increase in the accommodation available in the Newfoundland hotel. I think sound business principles would dictate that this be done, because anyone who has had the experience of travelling through St. John's knows that this hotel is constantly overcrowded and that one can rarely get in there. I believe the Newfoundland board of trade has brought this subject to the attention of the minister on several occasions and I hope when the minister again brings in his estimates he will be able to report that this important hotel is substantially larger than it is today.

The other matter I wish to direct to the attention of the minister at this time is the necessity of an alternative airstrip to the St. John's airport. The hon. gentleman officiated at the official opening of the magnificent new terminal at St. John's a little over a year ago. However, I am sure that he, like many other hon. members, has the experience of travelling by air in this part of the country. He knows that this is an area where flying is often hampered by dense fog and where weather conditions generally are uncertain. It happens on occasions that the airport is closed in for considerable length of time. Only a few weeks ago it was closed for eight or nine days. This necessitated the use of air facilities at Argentia, which is 90 miles out of St. John's. Passengers leaving by T.C.A. had to be transported 90 miles over secondary roads before they could get to the air carriers 90 miles away.

Were Trans-Canada Air Lines to agree to providing an alternative airstrip they would find an ideal location about 20 miles from St. John's, an area which is virtually fog free all the year round. At any rate it has longer periods of clear visibility than the particular area where the St. John's airport is located. I am thinking of the general area from 18 to 30 miles outside the city on the trans-Canada highway, a good paved road. This would be an ideal location for an alternative airstrip. I believe repeated representations have been made to the minister's department by various organizations in Newfoundland, including the board of trade, with regard to this matter, in addition to representations from members of the travelling public.

There is one last question I wish to raise, and it concerns a matter which is vital to all of us in that part of Canada. I am sure hon. gentlemen opposite will agree. I am referring to the need for the provision of an east coast ferry. As I have pointed out, the trans-Canada highway across our province will not be completed for perhaps another ten years at the rate we are going. The advantages of a ferry service between eastern Newfoundland and the mainland of Canada are too numerous to mention here. It would certainly lead to a great influx of tourists to the most populated part of the province, namely the Avalon peninsula where almost two thirds of

our population live. As things stand now, the ferry *William Carson* is fulfilling a vital role. Nevertheless, it is located on the extreme eastern end of the island, and until the trans-Canada highway is completed this ferry is virtually useless to the vast majority of the population. I might say to the minister that even when the trans-Canada highway is completed I think he will have to give consideration to establishing another ferry from the west coast. In any event, I would ask that the minister take this matter into consideration. I shall have further questions of a more specific nature to ask when the relevant items come up for consideration.

Mr. Granger: The estimates of the department of the Minister of Transport are always awaited with great interest by myself and by many of the people of my constituency, because in my constituency of Grand Falls-White Bay-Labrador there are two of the largest airports in the world, Goose and Gander.

The northern part of the island depends on the minister's department for its communications. I speak of the Labrador coast where radiotelephones and communications are part of the minister's responsibilities. I am thinking also of the services of the C.N.R. which are so important to northern Newfoundland and the coast of Labrador and which, again, come under the minister's jurisdiction.

Before talking about some of the things which particularly affect my riding I should like to refer to remarks which have just been made by the hon. member for St. John's East. I noted what the hon. member said regarding the need for another airstrip to supplement Torbay. As a matter of fact, I happen to be one of the passengers to whom he referred as having had to drive 90 miles from St. John's in order to board a T.C.A. flight at Argentia. I certainly endorse the hon. member's suggestion that an alternate airstrip be provided for use in the case of bad weather at Torbay.

The hon. member also mentioned the need for a new ferry. Certainly that is something with which we can all agree wholeheartedly. As to his comment about the trans-Canada highway not being finished for 10 years, it is true that if the present administration remains in power for that long it is going to take a long time to finish the trans-Canada highway, but with the change in government that has to come the trans-Canada highway is bound to go forward much quicker under the more liberal arrangements which will be made with the Atlantic provinces by the future Liberal government.

[Mr. McGrath.]

There was a small omission in the remarks of the hon. member for St. John's East which I should like to bring to his attention. As a matter of fact I had intended to get in touch with him about this so that he might use his influence with the Minister of Transport. My point is this: in the wintertime, particularly after a heavy snowfall, the road to the Torbay airport is frequently not ploughed properly simply because there is a small section of the road which the city says the airport should plough, and which the Department of Transport says the city should plough. On one occasion last winter the road was ploughed, shovelled or opened by someone to the width of one car. The result was that when the planes did come in after the snowfall and traffic began to accumulate at the airport, a traffic jam developed and the cars were unable to pass in either direction and the passengers had to walk. I happen, Mr. Chairman, to be a constituent of the hon. member for St. John's East.

Mr. Kucherepa: You have an excellent member.

Mr. Granger: As one of his constituents I am going to make an appeal to him. Some might say that my political philosophy and that of the hon. member for St. John's East are not the same and that is true—

Mr. Fisher: Oh, I don't know.

Mr. Granger: —but let me say that I have some constituents—very few fortunately—who do not agree with the party I represent and I would expect the same treatment from my member as I accord to those constituents of mine who through faulty judgment fail to support me.

Let me now return from a discussion of the problems of my member to a discussion of the problems of my own constituents. I should like to talk to the Minister of Transport about the needs of the town of Gander. I am fortunate in the respect that I believe the minister knows this town very well. As a matter of fact, the minister was so interested in the town that he paid it a visit during the winter of 1958 when Gander was not at its best and travelling could not have been particularly comfortable. Nevertheless the minister did visit Gander during that winter and explained in a conversation there, I believe, that should his government be returned to power Gander would go up and up and up. It is in connection with Gander's future that I want to talk particularly and I am very glad that the minister has seen Gander both in the winter and again since under more pleasant and less contentious circumstances. I am always glad to welcome the Minister of Transport to my constituency.

There has been, I think understandably, quite a bit of concern on the part of the people of Gander as to its future in the jet age. Gander is probably the best example of a town created by the modern age of air travel. Gander is truly a product of the air age. It has today a beautiful modern townsite with lovely homes, one of the very best air terminals in the world and all the paraphernalia that makes for good living in a modern town including up to date schools and fine churches. Everything there depends for its sustenance and its future on what happens to Gander as an airport.

Before proceeding I should like to suggest to the minister that perhaps during the discussion of his estimates or at least before the session ends he might find it convenient to make a statement as to what he thinks the future holds for Gander. I am personally satisfied that the future of Gander is assured. We are now just entering the air age. The large number of air passengers travelling now will surely have increased tremendously, let us say 10 years from now. I read with interest an article appearing in the May issue of *Flying*, a widely read aviation magazine which deals with the future of air travel and the coming passenger boom in the world's airlines which would have a definite effect on Gander. The article states in part:

> American spending on foreign travel in 1950 was $1,200 million: it should double that and more in this year of 1960.

I do not have time to refer to the arguments the author uses to support his contention. The article continues:

> But for the air alone—and only in terms of those countries outside the U.S.S.R. and China, who report regularly to the international civil aviation organization—the curve of world scheduled passenger traffic may well go from an estimated 104 million passengers this year to about 186 million in 1970. These totals cover both domestic and international travel. Assuming that the proportionate share of international travel may increase during the decade, the volume of foreign touring by scheduled airline in 1970 may well be more than 50 million passengers per year, as compared with about 19 million today.

Another article in the same issue points out that 175,000 passengers participated in mass passenger transportation by chartered aircraft on transatlantic flights alone. With the huge increase in passenger traffic I cannot see how the modern jet plane alone will be able to account for all of it. The piston and the smaller turboprop planes will participate in this traffic. We cannot overlook the fact, however, that jet travel is increasing and becoming cheaper for the average passenger. If Gander is to compete successfully in this changing air age it will need a longer runway than it has at present. I wish to make a special appeal to the minister in this regard.

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As I said before, the airport at Gander represents a large investment both by the people and the government. I am sure the minister is interested in the future of Gander from both the standpoint of humanity and the standpoint of the heavy investment which the government has made in it. If Gander is to become a real jet airport it must have the facilities to handle modern jet aircraft. Gander has the best terminal building in North America. The communications facilities there are second to none in the world. The Gander oceanic air traffic control facility with its accompanying approach control facility and tower control facility are of a very high order. Gander has the latest instrument approach control system and an instrument landing system. The snow clearing facilities for the winter operation are among the best certainly on this continent if not in the world. For example, during the month of March this year the total snowfall for Gander was in excess of 65 inches yet the airport was not closed for any period in spite of this record amount of snow. What Gander does lack is a jet runway.

The longest runway at Gander is 8,600 feet. We require a minimum of 9,600 feet or in round figures 10,000 feet. The runway length presents a problem to the pilot. For example, when a pilot is landing under instrument control it may be that his approach is a little higher than normal or his speed may be somewhat faster than normal.

Mr. Chairman, may I call it six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Granger: Mr. Chairman, when the committee rose at six o'clock I was recounting the splendid facilities at Gander airport. It has practically everything a modern airport needs in the way of facilities to look after aircraft landing in almost all kinds of weather. I was pointing out, however, that a longer runway is necessary if Gander is really to continue its important place in aviation during the jet age. I pointed out that the longest runway at Gander was 8,600 feet and that a runway approximately 10,000 feet long is necessary today.

For example, when a pilot is landing under instrument control he may come in a little high and fast. Normally that may not matter but if in bad weather and difficult conditions he has a long runway on which to land he is going to feel much more confident and will

make a landing when otherwise under marginal circumstances he might decide he had to go elsewhere. This is particularly important today when jets are in general use. If the investment at Gander is to be protected and if the people who live at Gander are to have a reasonably secure future it is most necessary that a longer runway be provided.

Many of the aircraft operating through Gander are en route to or from Europe and for operational reasons the pilot has to make up his mind whether he will land at Gander or choose an alternative airport. The length of the runway definitely would be a factor in his mind. The fact that the jet age is not passing Gander by is very well illustrated by the fact that every week a number of jet aircraft land at Gander even with the handicap of what for these times is a comparatively short runway. I would ask the minister to ascertain how many of the larger jet aircraft use Gander at the present time.

Another good reason for the belief that Gander will continue to be used is the amount of freight that is handled there. Last Saturday, I believe, one of the large international airlines shipped 50,000 pounds of lobster and before the season is over they hope to ship a total of 800,000 pounds. That is one commodity alone which is being shipped from Gander. If my understanding is correct, air freight will play a very important part in commercial aviation in the future. As a matter of fact, it seems quite evident that the air transportation of passengers and freight is bound to grow enormously during the next few years. With this in mind it would seem to be a logical step to provide the great airport at Gander with one or, if possible, two runways adequate in length to handle the type of aircraft now coming into general use.

For a few minutes I should like to talk about communications on the Labrador coast. The coast of Labrador depends upon the Department of Transport for its radio communications system. The small settlements along the Labrador coast depend on radiotelephone sets for communication with the outside world. I have mentioned this matter on various occasions before. Communications on the Labrador coast are one of the matters which the Department of Transport inherited at the time of confederation. Truly the places are small and a comparatively small proportion of the population of Canada is involved, but nevertheless their problem is a real one. I would ask the minister to consider providing radiotelephones for Batteau, Williams Harbour, Georges Cove, Fishing Ships Harbour, Spotted Island, Separation Point and Paradise.

These radiotelephone sets are small and comparatively inexpensive but their importance is very great. Their value is far out of proportion to their cost. As I have said, the communications system, through inheritance, is one of the services to be provided by the Department of Transport and I hope that in the near future these communities which are without radiotelephone sets will be provided with them. May I repeat that the cost is small but the value to the people concerned is exceedingly great. These sets may mean the difference between life and death, particularly during the long winter when the coast of Labrador is locked up tight.

With regard to airstrips, I should like to mention St. Anthony. The provincial government spent some money to develop a small airstrip at St. Anthony, one at North West River and one at Nain. Those at St. Anthony and North West River need money spent on them so that they can better handle planes particularly during the freeze-up and break-up periods. Again the amount of money required is not great but the need is most urgent. This is particularly so because these small airstrips will provide a means of communication with the hospitals on the Labrador coast and also will provide a means of transportation all year round for the people who live in these remote areas.

I should like to associate myself with the hon. member for St. John's East, in extending thanks to the minister for the icebreakers which have been serving a useful purpose in Newfoundland, especially in places in my riding like Botwood, Lewisporte and others. These places are deeply appreciative of the service of these icebreakers now located in Newfoundland.

Before I sit down, I should like to pay tribute to the officers and crews of the Canadian National coastal steamers which operate in Newfoundland waters. Naturally I am thinking of those that operate in my own district which extends from the central part of Newfoundland or which from a marine viewpoint, extend along the coast from Notre Dame bay to the northernmost part of Labrador. The crews of these ships are carrying on a very great service in the tradition of those seamen who for generations have served the coast of Newfoundland. In some parts of Newfoundland today other means of transportation are supplanting or supplementing the coastal steamer, but in northern areas the coastal steamer is extremely vital. These men are carrying on, as I said, in the great tradition of the crews of

such ships as the *Glencoe,* the *Sagona,* the *Prospero* and the *Caribou,* and they are doing so today in ships like the *Nonia,* the *Springdale,* the *Burgeo* and the *Northern Ranger.* These seamen are carrying out their work efficiently, with courtesy and kindliness and, above all, with a splendid sense of duty.

In conclusion I should like to go back to the question of Gander and ask if the minister could not find it possible to make a statement which will clarify what is likely to be the future of this important airport town.

Mr. Nugent: I do not intend to take up very much time of the committee tonight, but I thought I should say a few words about air travel particularly because of its importance to Edmonton. Our new international airport at Edmonton is now at the stage where its runways, taxi strips and aprons are about finished and there appears to be a good possibility there will be air service out of that airport by the latter part of this year. I can assure the minister that we appreciate the thoughtfulness of his department in making sure that the original plans were changed in order that we might have runways built that would accommodate the largest and fastest long range planes that will be coming to Edmonton as a result of its position as the crossroads of the north. We have been playing a very important part in this field for years. I want to say that we appreciate the fact we will have a new airport which will assure we will be able to continue to play a very important part in long range air travel.

I am wondering a little bit tonight, however, about the local services. At the present time we have a very good T.C.A. service from Edmonton to Calgary. These two cities are less than 200 miles apart and, for years, Edmonton has had the good fortune of having a good city airport in the middle of the city. Its runways are not long enough to accommodate the modern fast transports, but they can accommodate the Viscount type of plane. The flight from Edmonton to Calgary takes about 45 minutes, and you are in the centre of the city within five minutes after getting off the plane. There are half a dozen such flights back and forth every day which accommodate a lot of people. We have a lot of businessmen out there with a lot of hustle who appreciate being able to do a day's work in another city and get back in the evening. Our new international airport is about 20 miles out of town and, depending on traffic conditions, this could mean a trip by taxi or limousine service of from half an hour to 45 minutes longer. A journey of this length by taxi is not much in relation to the long trips by air coast to coast or intercontinental but in relation to a flight of 45 minutes duration the possibility of adding a 45-minute taxi trip is one that causes a little disquietude.

There has been no announcement by T.C.A. that they intend to discontinue the flights into the centre of Edmonton. On the other hand, they have not announced that they will continue to give service both to the new international airport and the one in the centre of the city. I think there are passengers for both, and I think both could be paying trips. I am hoping that T.C.A., when the time comes to move some of these facilities from the centre of Edmonton out to the international airport will not move them all. I hope we will still be able to have this quick trip to the very centre of the city of Edmonton.

There is a second aspect to this matter. I feel that the advantages in having an airport in the centre of the city are very great. I believe we are just starting that part of the air age in which vertical take-off flights and short run take-off flights will be coming to the fore. I feel it would be extremely hard to replace this airport. We hardly know or fully appreciate the value it may prove to be in the future. If there were to be a discontinuance of the operation of any major air line into our city centre airport this might weaken our arguments for the retention of that airport. There are other air lines such as C.P.A. and P.W.A. that are presently using this airport. I hope that T.C.A. does not set an example by moving its entire facilities out to the other airport.

I should like to say one more word about the new airport. The plans I have seen for the administration building at the new international airport indicate that it will be a credit, not only to the airport but to the country. Since Edmonton has been the northern centre for air transport for years, and since we have had many of the old bush pilots operating out of Edmonton who have done so much to open up the north and who have done so much for air travel in Canada throughout the years, it is hoped we could make a little gesture in memory of some of our air pioneers. There are plans for a plaque which they would like to have erected. I have brought to the attention of the minister a very suitable, large-sized wall space which I feel would be ideal for a mural. I hope that the small extra cost that might be entailed in making something really worth while and decorative out of that wall space will not deter the department from giving serious consideration to making this gesture to those who have done so much.

Mr. Herridge: Mr. Chairman, in making a few, as usual, brief remarks on the minister's estimates, I must express my appreciation of

the minister's courtesy and the promptness with which he has dealt with any problems I have brought to his attention, regardless of the branch of his department which was concerned. One must give the minister credit for his industry. I also want to express my appreciation for the courtesy and promptness I have experienced in my dealings with the deputy minister. The deputy minister reminds me of the Baldwin apples I used to grow. He is a very firm sort of person. He is a long lasting type and he has an attractive colour. I have always been extremely pleased with my relationship with the deputy minister and with his staff and the head of the various branches.

We all realize that the minister's department is a large and rapidly growing one which is required to meet new problems almost daily because of the rapid development of our country and the changing circumstances from region to region or from area to area. The only suggestion I have to make with respect to the administration at this time is that possibly we are reaching the point where there should be one or two associate ministers in the Department of Transport, particularly in view of the great development of air travel.

However, I am not going to say much along those lines at the present time because the royal commission on transportation is conducting an investigation and organizations throughout Canada are making their representations. I have been extremely pleased to note that the Canadian Federation of Agriculture made a representation on April 25 of this year and also British Columbia Tree Fruits Limited, representing the tree fruit growers of southeastern British Columbia, some time in February. I am sure we all look forward to this report. I think it would be more appropriate to deal with policy in general and with suggestions after the royal commission on transportation has had an opportunity to hear the representations made by various organizations across Canada.

However, before leaving my constituency to attend this session I was urged by a large number of the people I have the honour to represent to take advantage of the first opportunity I had to bring to the attention of the house a problem that concerns the people of southeastern British Columbia, namely the poor passenger service on the Kettle Valley railway. I have mentioned it on previous occasions. I want to take this opportunity again and keep my promise to the people I have the honour to represent.

For those who are not well acquainted with the geography of British Columbia I might say that the Kettle Valley railway is a railway that commences at Hope, a point a little over 100 miles east of Vancouver on the main line of the C.P.R., traverses the southern part of British Columbia and ends at Medicine Hat in Alberta. What I am going to say this evening has the support of all the people of southeastern British Columbia, all the chambers of commerce, the associated chambers of commerce of southeastern British Columbia, all the trade unions in the area, all the farmers' organizations, all the municipalities affected and all the employees of the railroad concerned.

I have dealt with the details of this question previously and I am not going to repeat myself this evening. However, I wish to bring to the attention of the committee the fact that the area which this railway serves is one of the richest parts of Canada as far as the production of natural resources from our forests, our mines, our lands and our waters is concerned. The total production last year in the area served by this railway was somewhere between $300 million and $325 million. Incidentally, I might mention that a great deal of that production was as a result of the operation of the Consolidated Mining and Smelting Company of Canada Limited, which I note, according to the Nelson *News* of April 9, 1960 had profits in 1959 of $16,704,310. When you come to realize that the Canadian Pacific railway owns at least 50 per cent of the stock of the Consolidated Mining and Smelting Company and as a result would make between $8 million and $9 million out of the company itself last year, without the profits of the railway which are considerable because of the freight transportation, the C.P.R. should normally have a great interest in the people in the area who produce that great wealth partly to the benefit of the Canadian Pacific railway. That is part of my argument.

I remember as a boy when sections were built to Kootenay Landing, then from Nelson to Midway, later from Midway to Hope and finally between Nelson and Creston along the south shore of Kootenay lake. The operation commenced in about the year 1911. It was a very well patronized passenger and freight service throughout the year. Of course, with the coming of good roads and other forms of travel there was a reduction in the number of passengers carried by the railroad until we finally found ourselves in the last year or two served by a Budd car. We have been reduced from a full-scale passenger service with sleeping cars, baggage cars, dining cars and all the rest of it to a Budd car with no sleeping accommodation, very frequently no coffee to drink and usually dry sandwiches. That is the position to which we are reduced in the southeastern portion

of British Columbia as a result of the refusal of the C.P.R. to recognize its responsibilities to the people of this area.

Naturally this state of affairs caused protests. The people of British Columbia have a habit of not lying down when they have something about which to protest. Anyone would have noticed that had he attended the recent convention of the Canadian Legion at Windsor, B.C. The delegates soon let their voices be heard as to what they thought about certain matters, as do the people of British Columbia generally. From what I can observe we are a little bit more active in voicing our protests than are some of the people say in eastern Canada. I am amazed at how quiescent some of the maritime people are about the problems in some areas which require immediate attention, problems which would create a real storm of protest in the area I represent. However, I represent a highly intelligent vocal people who expect certain standards maintained in transportation and services of that sort.

Protests have been voiced all over the district. Representations were made to the C.P.R. by the various organizations I have mentioned. I am quite sure the minister knows about the representations—he received a good many—to the board of transport commissioners; and naturally all of them sent copies to the member for Kootenay West because they depend on him to voice their opinions in this chamber and to put forward their views. In any event, as a result of the rumpus generally throughout the district—and as a result I think of the good offices of the Minister of Transport; I always give credit where it is due—the board of transport commissioners decided to hold a hearing.

The hearing was held at Nelson, B.C. on June 22, 23 and 24 of last year, at Vancouver on July 2 and at Ottawa on July 30 and December 8, 1959. The hearing was before Mr. H. H. Griffin, assistant chief commissioner; Mr. L. J. Knowles, commissioner—I do not want any misunderstanding; that is not Mr. Stanley Knowles—and Mr. J. M. Woodard, commissioner. The appearances included Mr. K. D. M. Spence, Q.C. for the Canadian Pacific Railway Company; Mr. L. M. McBride, Q.C., for Nelson chamber of commerce, associated chambers of commerce, southeastern British Columbia, and joint running trades, railroad brotherhoods; Mr. A. L. Pearson and M. A. Weller for the attorney general of the province of British Columbia; Mr. Ken Smith, Mr. H. L. Robinson and Mr. Remo Morandini representing local 480, international union of mine, mill and smelter workers, Trail, B.C.; and Mr. T. S. Shorthouse, mayor of the city of Nelson, B.C. I might say that all the business people I have spoken to, representatives of the chambers of commerce and so on, inform me how much they appreciated the well prepared brief by local 480 of the international union of mine, mill and smelter workers. They had really spent a good deal of time on research and presented a well documented and logical brief.

The hearing was held by reason of dissatisfaction existing as to the train service being furnished by the Canadian Pacific Railway Company on its line between Vancouver, British Columbia, and Medicine Hat via Nelson. The board gave notice that it would hold its hearing and receive submissions as to the service. The hearings were held on the dates I have mentioned. There was represented before the board in addition to the railway company the attorney general of British Columbia; the running trades, being the brotherhood of locomotive engineers, the brotherhood of locomotive firemen and the brotherhood of trainmen; the Nelson chamber of commerce; the associated chambers of commerce of southeastern British Columbia, which included the chambers of commerce of Kimberley, Cranbrook, Kaslo, Creston, Nakusp, Salmo, Trail, Rossland and also Lethbridge, Alberta; the Okanagan and boundary associated boards of trade, which includes as affiliated boards those of Summerland, Naramata, Penticton, Osoyoos, Oliver, Keremeos, Rutland, Westbank, Okanagan Falls, Greenwood and Cawston; the international mine, mill and smelter workers, being Trail, local 480; Kimberley and Riondel, local 561; Beaverdell, local 900; Nelson and district, local 901; and Greenwood-Phoenix and district, local 1013. The members of these locals and their families make up a large part of the population of the Kootenays. Also represented was the Kootenay lake general hospital and the medical associated clinic of Nelson. A submission was also received from the association of Kootenay municipalities.

Mr. Chairman, I just want to deal briefly with the judgment. I want this on the record because I am sending a copy of *Hansard* to a number of people who wanted to get the details of the judgment and it saves a great deal of time in having all this copied.

Some hon. Members: Oh, oh.

Mr. Herridge: I like to be frank about it, anyway. The summary is as follows:

Re: Service of Canadian Pacific Railway Company between Vancouver and Medicine Hat via Nelson, British Columbia.

The board of transport commissioners held a very complete hearing in this matter. The evidence was heard at Nelson, with subsequent adjourned

sessions at Vancouver and Ottawa. Members of the board travelled the line between Fort McLeod and Vancouver.

The board gave its judgment on January 4, 1960. It found that:

(1) Since the service was begun in 1911, the railway company had made every reasonable endeavour to attract passenger traffic;

(2) The present service (furnished by rail-diesel cars) is a curtailed one by reason of depredations and threats of depredations to the railway company's line;

(3) A daily rail-diesel car service in each direction between Vancouver and Medicine Hat would meet the demands of the area, provided that reasonable amenities are furnished to passengers and provided that the travel time from Vancouver to Nelson would not be more than 15 hours;

(4) The need of the residents of the area presently requires a daily service running (without any scheduled lay-overs) in each direction between Vancouver and Nelson.

The board would have ordered such service between Vancouver and Nelson if it had been satisfied that it would be safe for the railway company to comply with such an order.

Apparently it overlooked the fact that freight is going over the line daily and the employees are willing to operate the passenger trains. It continues:

It was not satisfied that it would be safe and made no order.

The province of British Columbia made a proposal toward the sharing of costs of further protection to be afforded to the railway. This did not result in any conclusion.

I do not quite know what that means. I continue:

The board concluded its judgment by saying that, at such time as

(a) a sufficient time has elapsed without depredations occurring in the area as to remove, beyond reasonable doubt, the threat to the travelling public and to the railway, or

(b) such protective measures have been taken as are, in the opinion of the police forces administering such measures, sufficient to protect the travelling public and the railway,

then, if the railway company has not, of its own accord, resumed a service which in the then existing circumstances meets the reasonable needs of the area, an application may be made to the board to require it to do so.

I understand, Mr. Chairman, that the city of Nelson is re-applying to the board for reconsideration of this judgment in view of the changed circumstances. I have been informed of that fact not only by the chamber of commerce of Nelson but by the secretaries of the various railroad organizations directly involved along the line of the Kettle Valley railroad and a number of other organizations and persons. Apparently the hitch in this thing at the present time is this protection to the railway from the depredations of some people.

I would also like to bring to the minister's attention this aspect of matter. In the Nelson *News* of March 3 I read the following:

Attorney general seeks Kootenay train service.

[Mr. Herridge.]

Attorney General Bonner intends to take up again with the chairman of the board of transport commissioners the question of renewal of full-time train service through the Doukhobor areas of the Kootenays, he told the legislature Wednesday night.

The minister replied to Kootenay member questioners in the house that the province had offered to pay a third of the cost up to $50,000 of railway protection through the Doukhobor area, providing the federal government and the C.P.R. absorbed the other two thirds.

The board of transport commissioners had promised to make an order compelling the C.P.R. to restore full service "if we would guarantee the safety of the trains".

"But I want to say to the house that I can't really guarantee safety of your securities in your safes at night, ... It is impossible to expect anyone to give an absolute guarantee under the circumstances."

I think the Attorney General of British Columbia is correct in that statement. No one can give an absolute guarantee under any circumstances today with regard to almost any matter or question.

I rose tonight, after reviewing the case very briefly indeed, to suggest on behalf of my constituents and the organizations I have mentioned that we ought to have a satisfactory passenger service resumed on the Kettle Valley railway. The people in that area would consider it quite satisfactory if they had a Budd car, and a cafe-sleeping car, so that there would be provision for meals to be taken under civilized circumstances.

In this respect I might say that I had a letter only today from a member of the brotherhood of railroad trainmen, Kootenay lodge No. 558, Nelson, British Columbia, and I will quote part of this letter. He says:

According to today's paper the kettle is still boiling here by means of a resolution passed by the B.C. chamber of commerce at their 9th annual meeting in Vancouver supporting the much needed passenger service between Medicine Hat and Vancouver—

Then he adds a postscript:

Since writing this, it has been brought to my attention that a passenger leaving Calgary is unable to obtain as much as a cup of coffee until he reaches Cranbrook due to the transfer being changed from Lethbridge to Coalhurst. The service seems to be getting worse instead of better.

I have travelled on this train from Medicine Hat to Castlegar and from Castlegar to Vancouver. I have been on the train a couple of times when you could not even get a cup of coffee. On one occasion returning from Vancouver women with children could not get a drop of milk for their children, any sandwiches to eat or refreshments of any kind. That is not good enough on a passenger train travelling through the garden of Eden which produces some $300 million to $325 million worth of wealth in this country annually.

In conclusion I do urge the Minister of Transport to use his good offices and all his influence to secure a reconsideration of this matter, in view of the fact that the provincial government has offered to pay one third of the cost of police protection on this railway. This police protection is required because of certain incidents in the past on the part of a certain sect that reside in southeast British Columbia. I urge that the federal government matches the provincial government's offer and that the minister use his good offices with the C.P.R. In this particular instance that means Mr. Crump. I ask the minister to persuade Mr. Crump to take action, because I think we will get it. I knew of him as a small boy in Revelstoke many years ago but he has gone a distance above me now that he is president of the C.P.R. and I only a humble member of parliament. But I do hope the minister uses his good offices to get the cost of this police protection shared between the province, the federal government and the railway and obtain a resumption of a satisfactory train service on the Kettle Valley railway at the earliest possible date, in fairness to the people of southeastern British Columbia.

Mr. McGee: Would the hon. gentleman permit a question? How long has it been since one of his constituents bombed the railroad?

Mr. Herridge: The hon. gentleman asked me a question which he knows is not true in the first instance. Even if he had asked me the question: how long is it since one of a certain sect bombed the railroad, I certainly would not be able to answer, correctly because it has not been proved to date exactly who caused this depredation, although there are certain suspicions. But I can assure the hon. member that the vast majority of the people of Kootenay West are very law-abiding and responsible citizens.

(Translation):

Mr. Bourbonnais: Mr. Chairman, I would like to deal with a problem peculiar to my riding, a matter which comes under the Department of Transport. For that reason, I shall not take too much of hon. members' time.

For more than a year, all operations on the Soulanges canal have stopped. Formerly, they brought a revenue of one third to one half million dollars a year to the citizens of my constituency, not counting the amounts spent by the crews of the ships using that waterway.

Since April 1, 1960, hardly $30,000 has been spent for the maintenance of that now disused canal. This is far from being adequate revenue for keeping the economy of the Soulanges area at the same level as in the neighbouring districts.

At this time, it would be difficult to justify the expenditure of a large sum of money for the maintenance of the Soulanges canal as when the waterway was in operation. On the other hand, it would be only fair to have some work done to renew the mobile equipment of the canal, like swing bridges and lock gates. It would be unfair if that waterway, which, when it was built divided the most fertile land of the Soulanges district and modified its economic character, were simply abandoned.

As the representative of that area, I have received numerous requests from municipalities along the canal. I think those requests are fair and reasonable.

Among the most significant requests in those submissions, I shall point out the following: That running water be maintained in the canal; that municipalities have the right to draw water free of charge therein to feed their water mains; that present bridges be replaced by jetties—I note that the estimates of the Department of Transport include an amount of $100,000 for the renewal of three of those bridges—that the lighting be maintained at the entrance of the jetties; that land adjacent to the canal never be used as a public or private dump; that passage for keeping up the flow of Delisle river, of Red river and Graisse river be maintained and regularly cleaned; that the fences of land adjacent to the canal be maintained and weeds be cut regularly; and, finally, that the land belonging to the canal be taxed on the same basis as property owned by individuals.

Moreover, three municipalities, whose boundaries run along the canal, approached me to ask that they be given priority when certain lots belonging to the canal system are put up for sale.

I want to point out to hon. members that since the Soulanges canal was closed to traffic no substantial revenue has come into the district. It is therefore justified that municipalities along the canal should ask some compensation from the federal government for the taxes they are not levying on canal property, which is estimated at some $230,000.

It is also reasonable to ask that swing bridges built for the type of traffic existing 50 years ago be replaced by solid roads built

for modern vehicles, and that the lock gates in the two strategic spots, be replaced by permanent structures. The cost can be justified by the fact that they would eliminate the maintenance required with the bridges and lock gates in their present condition, and the hazards involved.

Once those jobs are done, the towns of Dorion, Pincourt and Île Perrot could set up a corporation to instal the lines needed to supply water to their respective populations, which on the whole represent about 20,000 people. Such a project would cost about $1 million. Such a project could be worked out in two ways, either by setting up a company formed of the municipalities of Dorion, Île Perrot and Pincourt, or by a syndicate of private interests. At present, there are many of them who are prepared to form such a syndicate.

From past experience, following the closing down of canals such as the former Welland and Beauharnois canals, I may state that it is in the interest of the government and the areas concerned to dispose as soon as possible of this disused waterway.

In addition to being used as a water system, the Soulanges canal properties could also help the development of housing projects and of suitable locations for the establishment of light and heavy industries. The eastern end of the canal, barely two miles from the St. Lawrence seaway, lends itself very well to the establishment of primary and secondary industries.

Upon completion of the bridges connecting Montreal island to the Vaudreuil peninsula, and incorporated in the future 401 superhighway system, there is bound to be extensive housing developments in that whole section of the Vaudreuil-Soulanges peninsula. The site will be a natural one for industries, provided municipal services are adequately planned. An adequate electric power supply added to the already existing manpower and perfect highways, only drinking water supplies need be added to make that section the most attractive in every respect in the entire Montreal suburban area.

In closing, Mr. Chairman, I should like to ask the Minister of Transport (Mr. Hees) to give very serious consideration to the dredging of a 25-foot shipping channel between the St. Lawrence seaway and the east or west limits of the Soulanges canal, in case industries should be located in that area and require the type of transportation which is common along the St. Lawrence seaway.

(Text):

Mr. Tucker: I have a few remarks I should like to make at this time concerning matters which in my opinion are very important and urgent. Under this heading, Newfoundland again suffers. For example, the hotel accommodation at present available in St. John's, the capital of Newfoundland with an estimated population of over 80,000, is entirely inadequate. St. John's is the eastern terminal point of Trans-Canada Air Lines, the trans-Canada highway, Canadian National Railways and Canadian National Steamships. It is also the terminal point of the C.N.R. Newfoundland service. In addition, it is the point of entry into Canada for shipping coming from the British Isles and from Europe. All this shows the urgent need of a hotel with the necessary facilities to take care of the travelling public.

The Newfoundland hotel which is owned and operated by the C.N.R. is inadequate in its accommodations and facilities for the needs of the people of Newfoundland, quite apart from the claims of the travelling public, including representatives of the government and organizations in and near St. John's which require facilities for conventions, banquets, meetings, and so on. The result is that many conferences and conventions are steered away from St. John's. This state of affairs is bad not only for the economy of the province but also from the point of view of increased transportation revenue for the Canadian National Railways and from the point of view of public relations. Immediate steps should be taken to improve this situation by providing adequate accommodation.

It cannot be said that the Newfoundland hotel does not operate at a profit because it was only a few days ago that I asked the Minister of Transport if the hotel operated with a surplus or a deficit for the years 1958-59. The minister informed me that in those years the hotel operated with a surplus of more than $300,000.

In addition, the tourist trade which has increased considerably since confederation is suffering from this inconvenience. Coupled with this we still have our narrow gauge railway. We are the only province in Canada with a railway system different from that in the other provinces across the dominion. Newfoundland is, nevertheless one of the ten provinces of Canada. The present Prime Minister said that we should have a standard gauge railway and so I ask when is the government of Canada going to give Newfoundland her rightful place in confederation and put her railway and hotel facilities on a par with those of the other provinces. If this were done it would be a step in the right direction. I ask the minister if any serious consideration has been given to the statement made by the Prime Minister in St.

John's in April of 1959, a report of which appeared in the Toronto *Globe and Mail* in these words:

> Newfoundland's narrow gauge railway should be converted to the standard gauge because the present line retards development, adds to the cost of transportation and therefore makes it more difficult for Newfoundland industries to compete in domestic mainland markets on the same basis as other provinces.

The people of Newfoundland have waited patiently for some action to be taken by the Canadian National Railways. In the light of this statement, surely after three years of study and consideration it is time to do something of a tangible nature to meet this great handicap. I would suggest that the minister have his officials make an investigation and estimate the cost of constructing a standard gauge railway from St. John's to Port aux Basques and then give the province of Newfoundland a grant for this amount which would have to be spent on the trans-Canada highway.

I am given to understand that there are two systems employed when planes make landings at airfields. One is known as I.L.S., that is instrument landing system, and the other is the G.C.A., or ground control approach system. The airport at St. John's should have all possible modern facilities. As far as I can ascertain the Department of Transport has one instrument landing system which I believe is used on runways Nos. 17 and 35. At the present time Trans-Canada Air Lines craft are more or less at the mercy of the United States officials at Pepperrell air force base because they own and operate the ground control approach system by which planes can be talked to their landing places. Without this system the pilot must land his plane with the instrument landing system which does not allow him to land with less than a 300 foot ceiling and a forward visibility of one mile.

I appreciate the operational cost of the ground control approach but since the United States air force operates such a system and since they are vacating St. John's would it not be possible for us to buy this system which I believe is mobile. If this is not possible I would strongly urge the minister to install another instrument landing system at the airport at St. John's. I am told that the landing facilities there are the same today as they were 20 years ago and that no improvements have been made. With the ground control approach system planes could land with a 700 foot ceiling and one mile visibility. We have more hills and fog near the airport at St. John's than there are at many other terminals elsewhere in Canada. T.C.A. flights in Newfoundland are very popular and well patronized no doubt because of the efficiency of the airline officials who are second to none throughout the dominion.

In my speech this year on the address in reply to the speech from the throne I made brief reference to the great need of a freight-passenger boat which would operate from St. John's to Halifax or Sydney. I cannot find words strong enough to point out the urgency and importance of the C.N.R. operating such a route. Many thousands living in Newfoundland at present hope and believe in the not too distant future we shall have most if not all of the trans-Canada highway paved. As soon as this highway meets trans-Canada specifications thousands of tourists will drive from the United States and mainland Canada to the east coast of Newfoundland. Would it not be reasonable to expect that they might wish to join a ship at St. John's and have a relaxing boat trip from St. John's to Halifax or Sydney rather than motor back approximately 600 miles from St. John's to Port aux Basques?

At this juncture I feel I must refer to the operation of the *William Carson*. When this boat began operating in Newfoundland a couple of years ago we thought she was too big and a waste of money. There was no doubt in the minds of many that she was more than able to look after all the passengers who cared to travel on her and was able to handle all auto traffic and commercial trucks and freight. Last year this ship carried approximately 8,050 passenger automobiles. There were 3,492 automobiles handled under the freight plan and 1,264 freight trucks. The ship made 288 round trips and carried many tons of freight. There were 37,841 passengers carried to and from Port aux Basques in 1958 and 58,435 passengers carried in 1959, an increase of 20,594. Last summer there were many times when the ship could not take care of all the passengers desiring accommodation for themselves and their cars.

Early last August my family had an experience which is a very common one to passengers and which I hope, should the occasion arise again, will be taken care of in a better way than it was last summer. My wife, two of my sons and myself arrived at Sydney on Sunday, August 2 at 10.30 p.m., half an hour before the scheduled sailing time. I immediately went to the ticket agent and asked if the reservations I had made in Halifax had been confirmed and I was told that they had no record of any reservations for me and that they would not be able to let me know until midnight whether we could get passage on the *Carson*. There was scarcely any standing room in the waiting room at North Sydney, much less seating

space. The room was crowded with passengers, many of them with babies and young children and many of them very much annoyed.

After making several trips to the ticket agent we were finally told that we could not get on the *Carson* but that the *Burgeo* was making a special trip from North Sydney to Port aux Basques to take the passengers desiring passage to Port aux Basques and that she would not be ready to sail until a couple of hours. Again the ticket agent said he could not give any assurance that we would be able to get on her. However, about 2.30 a.m. we were sold a ticket and we boarded the ship about 3.00 a.m. We found to our great dismay that no meals or lunches were being served on the boat and that there were but two stewards to take care of the passengers. We were fortunate in getting a room. Many did not.

About 8.30 a.m. we went to get breakfast but found that the salon was closed and learned that only approximately 50 per cent of the passengers, who totalled over 100, had breakfast. We arrived at Port aux Basques about 11.30 a.m. where a train was awaiting our arrival, and in a short time the train was in motion. We had to wait in line to get into the dining car and finally made it at 1.30 p.m. We then had our first meal since having lunch before leaving Halifax at noon on Sunday, the previous day. No meals were served on the train from Halifax to Truro or from Truro to North Sydney.

I tried to make a telephone call from the waiting room at Sydney to ascertain if I could get space on a T.C.A. flight but the telephones were out of order. I heard many of the passengers say that they would not make such a trip again or go through such an ordeal, and of course that goes for me as well.

Even at this time of the year if you want to go to Newfoundland or leave Newfoundland and travel by the *Carson* you cannot get accommodation when you require it. You must make your reservation well in advance. I would therefore ask the minister to see that proper facilities are available to take care of the travelling public going to and from the newest province of Canada so as to avoid disappointment to the travelling public and thereby avoid undue or unnecessary hardship.

I have learned recently that there are about 30 level crossing accidents involving trains and motor vehicles in Ontario alone each month, and I doubt very much that any thought is given to the strain and stress placed on a locomotive operator. This was very forcibly brought home to me last Sunday evening when, in travelling by train from Toronto to Peterborough, I sat in a seat close to the operator and heard the whistle continually blowing. In my opinion motorists should exercise more care at railway crossings and should realize that a locomotive operator cannot swerve his train to avoid oncoming vehicles. He may apply his brakes, but as can be expected, he cannot bring his train to a sudden stop. I would therefore suggest that warning signals or stop signs be placed at all railway crossings and that the Department of Transport use every possible means to impress upon the public the importance of exercising care when approaching railway crossings.

At this time, Mr. Chairman, I want to thank sincerely the minister, his parliamentary secretary and his officials for their co-operation in sending icebreakers to the assistance of the sealing steamers whenever I made such a request. I can truthfully say that at all times I have received every courtesy from the minister and his staff whenever I have referred any problem to his department since becoming a member of parliament. I feel that he will appreciate some of these matters which I have brought to his attention this evening. I have one hope, that his department will improve conditions wherever and whenever he and his officials can as far as Newfoundland is concerned.

I also want to thank the minister and his officials for assisting the sealers travelling to and from their homes to join their respective sealing ships in order to take part in the seal fishery by giving them a reduced fare last spring, which was the usual practice prior to confederation and was known locally as the sealer's ticket.

(Translation):

Mr. English: Mr. Chairman, I have followed with much interest the statement of the Minister of Transport (Mr. Hees) on his department's activities. I heartily congratulate him for the magnificent job he has been doing so far. I thank him also for the interest he has always shown in my constituency. I also thank the officials of his department for their remarkable co-operation.

My reason for speaking today is that I wish to deal once again with a project that is close to my heart and that I should like to see carried out, not for any personal or political advantage, but in the interest of my constituency and constituents.

Ever since 1957, when I was first elected to represent the constituency of Gaspe, I have been asking that a railroad be built between Matane and Ste. Anne des Monts. I raised the matter in 1958 and 1959, and I raise it again in 1960.

I am confident that the Minister of Transport and the present government will grant to the constituency of Gaspe something it has never been able to get in the past and which is vital to its economic development.

That part of my constituency, which stretches over 320 miles, includes two provincial constituencies and part of a third. In the North Gaspe area, where the distance between Matane and Gaspe is 165 miles, there is not a single railroad.

Yet, my constituency is one of the richest in ore. It has a prosperous mine. the Gaspe Copper Mines, in Murdochville, and a number of others that would, no doubt, be put in operation tomorrow if we obtained the railway we want.

Mr. Chairman, I may add that, besides the Gaspe Copper Mines, various corporations that hold mining claims are only waiting for the railway to be built to put them in operation.

May I give a few instances: In Holland township, the Gaspe Copper owns 1,518 acres; the Miller Copper has 1,600 acres; the Gaspe Metals, 400 acres; the Horn Gaspe, 200 acres and the Holland Gaspe Mines, 920 acres.

In the Lemieux township, the Federal Metal Corporation holds 9,000 acres, the Peninsula Metals Corporation Limited, 2,000 acres; the Lemieux Mining Corporation, 800 acres.

In the Boisbuisson township, the Dubuisson Mines & Lake Opemiska Mines Limited owns 80 acres; the Standard Gold Mines Limited, 40 acres; the East McDonald Mines Limited, 4,000 acres; the Gaspe Exploration & Mining Company Limited, 800 acres.

Mr. Chairman, those are some companies that own large mining concessions in my constituency, which is clear evidence of our wealth.

One of the first mines to develop in Gaspe, the Gaspe Copper Mines, provides work at present for more than 1,200 employees.

Mr. Chairman, may I say that the development of other mines will materially help reduce unemployment, because it is in developing our country, and most particularly that area, as far as I am concerned, that we shall really achieve prosperity.

Mr. Chairman, the chambers of commerce of the Gaspe riding and a number of associations adding up to more than 10,000 persons have asked me to obtain the necessary facilities for the economic development of our region. Here is what those associations and namely the March 23, 1959 issue of the magazine *Commerce* have to say about this:

> In relation to its population, Quebec is the economic area with the least railroad facilities or the most people per mile of railway. The number of people per mile of railway is 812 in Quebec, as compared with 519 Ontario, 418 in the maritimes, 359 in British Columbia, 148 in the prairie provinces and 369 for the whole of Canada.

And the article adds:

> On the other hand, there are other opinions on the subject, such as those expressed by the province of Quebec chamber of commerce and those found in a bulletin issued by the Banque Canadienne Nationale.
>
> They might be summarized as follows· there is no doubt that the province of Quebec is far from getting as favourable a treatment as other areas; with 30 per cent of the population, it has only 11 per cent of the railroads. Many of the lines running through it are just branch lines needed to link up with the Atlantic and the prairies. Why has the Abitibi not been linked up with Montreal by way of an extension of the Montreal-Mont-Laurier railroad? Why the delay in building the Matane-Gaspe line? Unlike Quebec, southern Ontario is covered with a network of lines serving industrial centres. Railway development has been particularly active in the western provinces. Ontario has twice as many tracks as Quebec, and Saskatchewan is close behind. It is obvious that eastern Canada, and particularly Quebec, has been neglected.

Mr. Chairman, I think that this article in *Commerce* is true. Therefore I still wonder, even now, why we waited so long to develop so wealthy a region which can help bring prosperity while we are now complaining about unemployment. I do say that it is by giving these mineral rich regions a chance to develop that we will help reduce and even eliminate the present unemployment, not only in our province but in the whole country.

Mr. Chairman, before I conclude my remarks, I would like to read an excerpt of a brief prepared by the Gaspe North chamber of commerce, of Ste. Anne des Monts, Gaspe North, about proposed construction of a railroad to serve Gaspesia. Here are the conclusions of this brief:

> When we ask for the building of our railway, we do not have the impression of asking a favour or a gratuity from the federal authorities; rather are we claiming our share of public services which the people of this area of the province of Quebec are entitled to expect from their governing bodies to ensure their economic expansion and the development of their natural resources at the same rate as in the rest of the country.
>
> Let us recall the statement made in Toronto on March 17, 1949, by Mr. S. W. Fairweather, vice president of the Canadian National: "A railway must be considered in relation to the economy of a country, because a railway is essential to the prosperity of a State and promotes wealth. Those of us who live in large cities might be mistaken, but the miner, the woodsman, the fisherman and

the farmer are fully aware of the usefulness of a railway. New resources and new fields of activity are discovered every day that can be developed by railway facilities which are the life blood of a nation.

And the brief adds:

Mr. Geo. H. Hees, the Minister of Transport, himself recognized the need for the requested railway line between Matane and Ste Anne des Monts when he said recently in western Canada: "Railways are a prerequisite to and not a consequence of progress, as railways are indeed a factor of progress."

The Gaspe North chamber of commerce concurs in the views expressed by Messrs. Hees, Gordon and others on the occasion of the official opening of the Chibougamau railway, namely that: "Two factors are essential to our national economy:

1. The development of a number of our natural resources is still being held back by the lack of transportation facilities. 2. Our railroads can still be considered as pioneer installations, and are used to open up new areas of economic development".

Here is another statement by Mr. Donald Gordon, president of the C.N.R.: "In a country such as this, where distance is a vital factor in the cost of goods, you cannot think of developing natural resources without thinking of railroads."

Mr. Chairman, I am most surprised. I wonder if really Mr. Gordon was serious when he made that statement. If he really was, why did he refuse that to the Liberal party for so many years, even at the time when my hon. friend the member for Laurier (Mr. Chevrier) was Minister of Transport? Why did he refuse it, and why does he still refuse it?

Mr. Chairman, I can only hope that for once, Mr. Gordon will translate his words into deeds and will grant to the constituency of Gaspe what it has been demanding for so many years, namely a railroad.

(Text):

Mr. Carter: I doubt, Mr. Chairman, whether there is any other department of government which impinges more often or more intimately upon the lives of the people of my province than does the Department of Transport. When it is realized that 99 per cent of my constituents live by the sea and that 90 per cent of them earn their livelihood either on the sea or from the sea it can be readily understood that they have a special interest in this department. I should therefore like to express to the minister on their behalf appreciation of the improvements which have been carried out in my riding during the last year.

I should like to express to the minister my personal thanks for the sympathetic way in which he has dealt with the problems which I have brought to him personally. I should also like to express my appreciation of the co-operation which has always been forthcoming from the staff of his department both here in Ottawa and in the province.

When I went through my district in 1949 I remember compiling a long list of navigational aids which were required in my riding. Many of them had existed in years gone by but had been swept away by storms and other causes and had never been replaced. However, during the last 10 years a great deal has been done in this respect. The government —very wisely, in my opinion—insisted on rehabilitating the aids that were already in existence before supplying new ones. It was said that the provision of other aids could not be carried out properly until the department had been supplied with a boat which would be able to transport these aids and to service them. That boat has now been supplied and therefore that reason no longer exists. However, along the coastline in my riding there is still a gap where particular navigational aids in the form of light and whistle buoys are required. I hope that every effort will be made to supply as many as possible of these buoys in the coming year.

Many of the new houses which have been constructed as residential quarters for the keepers of lighthouses and fog alarms have been supplied with running water and electric lights but there still remain a great many lighthouses and residential quarters which do not have these facilities. I do not think these people should be compelled to wait until the building is reconstructed before these facilities are provided. These facilities are a normal part of our standard of living in Canada. A supply of electricity makes possible the use of many appliances which can lighten the work of the housewife and make life a little bit more bearable in these isolated areas. I wish the department would initiate immediately a policy of supplying every one of these residences with running water and with a Delco or similar lighting plants.

The hon. member for St. John's East brought to the attention of the minister the situation which exists on certain ships, particularly the icebreakers, with respect to the wages paid to the crews. These wages are based on the prevailing rates in the area where the men are recruited.

I brought this matter to the attention of the Minister of Mines and Technical Surveys last year, I think it was, when his estimates were before the house, and also before the Minister of Labour. This is a

situation which should be corrected but about which nothing has been done since this matter was last raised. It does not seem right to me that two people employed by the government on the same kind of ships doing exactly the same kind of work should receive a different rate of pay just because they happen to be recruited in different places.

This argument falls down completely with respect to captains and the masters of these vessels. I understand that there is a wide discrepancy in the pay of the officers on similar ships of comparable size just because they happen to be recruited in different places. This is something which ordinary justice demands should be rectified.

Another matter along this line which I should like to bring to the minister's attention is the situation with respect to assistant keepers. An assistant light keeper is not an employee of the department. He is employed, I understand, by the keeper and because he is employed by the keeper he has no status. He has no benefits of holidays or holidays with pay; I do not think he even qualifies for unemployment insurance. It is time that this situation too is corrected. I am informed that the minister's department is dealing with this matter on a sort of piecemeal basis by which about 50 of these people a year are transferred to the permanent list. That seems to me to be a very slow rate of progress. If we are going to go at the rate of 50 per year for all of Canada, then certainly it is going to be a very long time before this situation is corrected.

I should also like to express my support for the pleas put forward by the hon. member for St. John's East and by my colleague for Trinity-Conception for an extension of the Newfoundland hotel and for an alternative airstrip at Torbay. The hon. member for Trinity-Conception brought to the attention of the committee certain conditions which he experienced on the motor vessel *William Carson* which plies between North Sydney and Port aux Basques. I have always held the opinion that what should have been done in the first place was to supply two smaller ferries rather than one big one, but from my experience I know that the *William Carson* herself is not big enough to handle all the traffic available, all of the passengers who wish to travel at the peak period of the season. But what concerns me most is that the terminal facilities at Port aux Basques do not have sufficient accommodation for the travelling public.

In this connection I encountered last year a situation where a number of passengers were left in the terminal without any place to sit or lie down. Some of them were old persons; three of them were patients who had just been discharged from the Corner Brook hospital. I personally spent hours trying to find a boarding house for them at Port aux Basques and Channel but without success because every place was filled up. So these people, old and young and some of them young children, had to spend the night lying on the floor in this new terminal, and that is a situation which should not exist in this day and age. Moreover it is a condition which can be very easily remedied because all that is necessary is for the Canadian National Railways to set up a couple of sleeping cars near the terminal and supply sleeping accommodation in that way. They can get meals at the terminal which also has sufficient washroom facilities, but as I say there is no place to lie down. I do hope the minister will bring this to the attention of the proper authorities and have something done about it.

The hon. member for Trinity-Conception mentioned the necessity of a standard gauge railway for Newfoundland. I brought this matter to the attention of Mr. Gordon when he was before the committee on government-owned railways and shipping and it was quite clear from his replies to my questions that he does not consider it his duty to take any initiative in this matter. According to him, the railway belongs to the government of Canada. He is merely acting as an agent of the government in managing that railway. He is prepared to carry out whatever rehabilitation of existing facilities is required to make the present railway adequate for its needs, but when it comes to a change of policy such as changing from a narrow gauge to a standard gauge, then it is very clear that he considers this decision ought to be made by the government and if the government makes it he is quite ready to carry it out.

As far as the point to point traffic inside the province is concerned, the narrow gauge railway perhaps serves very well. But when it comes to traffic entering the province and communications with the mainland, then the lack of a standard gauge railway imposes a very serious handicap on our economy. It adds materially to our cost of living and it handicaps our industries in shipping their products to the mainland market.

When it is considered that Newfoundland buys about $250 million worth of goods from mainland Canada it can be realized how essential it is to have those goods transported with the least possible handling and at the least possible cost. That can only be done by means of a wide gauge railway. Furthermore, Newfoundland is an underdeveloped

province and whatever possibilities it has for development will always be greatly handicapped unless modern means of transportation is supplied.

There is one thing about the Department of Transport which has puzzled me from time to time. That is this, there is a curious reluctance to make changes in the Canada Shipping Act or in other legislation or regulations which apply to this department. This, I think, is an attitude which is more characteristic of the Department of Transport than of any other government department. It seems to me that these laws are regarded as a sort of Procrustes' bed, or like the laws of the Medes and Persians which cannot be changed and ought not to be changed. Everything must fit into it. If you are a little too tall, you have to lop a bit off, and if you are a little short you have to be stretched out. Anyway, nothing can be done to change these laws.

One example of this is supplied by the laws which govern harbour administration. We have, of course, national harbours and we have certain laws under which they are administered. Then we have a class of small harbours that we call public harbours, and these are administered by harbour masters. Most of the harbours in Newfoundland are not big enough to be administered as national harbours and yet they cannot be administered satisfactorily by means of harbour masters under the public harbours act. For one thing, a harbour master is one man in an isolated spot far away from St. John's from which he would have to get advice in case something cropped up with which he could not deal. Sometimes, on a week end, St. John's has to get advice from Ottawa and when we close down early on Friday and wake up late on Monday a lot of things can happen which could not be dealt with at all. I have always felt the harbour master should be responsible to a local body on the spot in the community. We have such bodies. One such body is the pilotage commission. We have several pilotage commissions which are doing excellent work, and there is nothing wrong at all with giving them responsibility for harbour administration. It would mean a very simple change in the act to give them that power and it would not in any way interfere with their pilotage duties.

Prior to confederation we had small harbour boards of our own. These bodies do not know, at the moment, where they stand at all. They were set up under provincial legislation. At the time of confederation their sources of revenue were cut off, but they still have obligations which they have retained and which they have tried to discharge in the best manner possible. However, in carrying out these obligations they have been at a very serious disadvantage. These small bodies could be recognized under our Canada Shipping Act and used to better advantage than is possible in the case of harbour masters under the public harbours act. I hope the minister will give some thought to this matter and assume a more flexible attitude toward these suggestions.

Another strange thing which I have never been able to understand is the regulation which prohibits a man from getting a master's certificate if he has to wear eye glasses. A person can get a driver's licence to drive a motor car at 60 or 80 miles an hour even though he may wear glasses. I think he can get a licence to pilot an aircraft at hundreds of miles an hour. But if he is going to get a licence or certificate to pilot a boat, to steer a boat or captain a boat he cannot get it if he wears glasses. But the strange thing is this: if he can once get a certificate he can go blind the next day and still retain it. The wearing of glasses simply prevents him getting a certificate. This seems to me to be a nonsensical state of affairs, and something should be done about it. Today good men are being prevented from getting a master's certificate simply because of this regulation, while other men, often less able, are qualified to get certificates.

Another suggestion which I made to the minister last year or the year before, I think, and about which nothing has been done, concerned the need for a change in the water carriers act in so far as it applies to C.N.R. coastal vessels. In Newfoundland we have a railway running in the interior, but most of my people live on the coast and the natural communications for them is by means of a coastal boat operated by the C.N.R. In other words these coastal boats perform the same service on the sea as do the railways on land. The same railway, the C.N.R., operates a boat from North Sydney to Port aux Basques. That boat is a part of the railway. The coastal boats which connect with this ferry, the *William Carson,* are not part of the railway. The *William Carson,* the ferry which runs across the strait, because it is part of the railway is not subject to the provisions of the water carriers act. The *William Carson* is not the only one concerned. There are, I think, as many as 10 or 12 ships on this run. Should any mishap occur to any of these boats, such as happened to the *Cabot Strait* some years ago when a lot of goods were lost because the ship ran ashore, since the ship was not subject to the water carriers act the people who lost their goods were given compensation. But should one of the coastal boats run ashore and freight be damaged or lost, the person who loses it has no redress at all,

because these ships are covered by the water carriers act. It does seem to be strange that the same company should be operating boats under two different arrangements when it affects the lives of the people in two different ways—that a person can have freight on one boat and if it gets lost he can get compensation, though if he has freight on another boat, owned by the same company, he can recover nothing should the freight be lost or damaged.

Before I sit down I want to remind the minister once again about the problem of oil pollution which has caused us a great deal of trouble in Newfoundland and which has become particularly acute during the past season. We all know that this is an international problem and that only an international solution will be satisfactory. There is, however, something which could be done. I do not know whether the minister has done it yet or not. However, I do hope he will be able to tell us when he replies that he has appointed a full time inspector whose job it would be to go around and inspect those vessels which transport oil and land oil on different points of our coast. There are some other points I should like to bring up but I have covered the main ones and shall reserve the others for another time.

Mr. Payne: Mr. Chairman, I wonder if it would be in order for me to follow the hon. member for Comox-Alberni. I have just been advised that he is leaving for the west coast this evening and wishes to speak. Would it be in order if he were to speak now and I were to follow him?

The Chairman: The hon. member for Comox-Alberni.

Mr. McQuillan: Mr. Chairman, I wish to thank my colleague the hon. member for Coast-Capilano for giving me the opportunity of saying a few words at this time. I have brought the problem of coastal transportation on the coast of British Columbia to the attention of the minister on numerous occasions and I wish once again to bring it to his attention. I do not know what the answer is but I do know there is a problem. To date I have not been able to convince the department that a problem exists. Once again I should like to request that a thorough investigation be made of this matter because it is serious and annoying and works a hardship on the residents of coastal communities.

We have a coastal transportation system now composed of antiquated and inadequate ships operated by a number of companies inadequately financed. Perhaps there is not sufficient traffic to support a private company operating on its own in those areas. In any event to a large extent the burden is passed on to the people in the area in the form of high freight rates. For example, the cost of shipping a ton of potatoes to Port Hardy is often equal to the price paid to the wholesaler in Vancouver. The cost of freight on a loaf of bread is eight cents. The service is infrequently and completely inadequate. I suggest with all respect that at the first opportunity the minister appoint a team of investigators to come out west and travel the length of the coast, to interview the people served by these coastal services and listen to their story and to interview those providing the services and hear their story and then endeavour to come up with some solution to this problem.

When I look at the blue book—unfortunately most of our constituents cannot or do not look at it—one of the first things that impresses me is the millions of dollars that are spent in the maritimes, despite the fact that we hear hon. members complaining that more should be spent there; and the millions that are spent along the St. Lawrence as compared with the few paltry dollars that are being provided by the department for coastal transportation along the Pacific coast. I believe a subsidy is now paid amounting to approximately $300,000. I do not know whether subsidies are the answer but I am aware that the companies apparently are not making sufficient money to allow them to provide new and modern equipment and to furnish the necessary services at reasonable rates.

One of the unfortunate things about these poor, infrequent and high cost freight services on the coast is that they discourage people from living in that area. This would perhaps be all right if it were a non-productive area but it is a very productive area in the sense of producing raw material. I think I am safe in saying that the people who live on the upper coast of British Columbia are perhaps responsible for more dollar production of basic materials than any other group of people in any other section of Canada. I would ask once again that the minister give more than serious consideration to my request and that he appoint an investigating team to come out to the coast and make a thorough survey of the whole problem. I would even suggest that the minister come out and make a trip up the coast on one of our steamship services. I know that the hon. gentleman could pass over very quickly from Vancouver to Prince Rupert in a Viscount but he will not have any real understanding of the problems of the coastal area unless he travels from point to point on one of the obsolete steamships operating in the system we now have.

Mr. Payne: Mr. Chairman, may I call it ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire what the business is for tomorrow and as much of next week as the house leader may be disposed to give us.

Mr. Churchill: For tomorrow, Mr. Speaker, we will continue with the estimates of this department. Should they be finished in good time we have the estimates of the Post Office Department and the Department of Mines and Technical Surveys available.

The legislative items for next week will be as follows. We will start Monday with the second reading of Bill No. C-58, an Act to amend the Combines Investigation Act and the Criminal Code, order No. 5 on today's order paper. This will be followed by order No. 7 on today's order paper, the second reading of Bill No. C-63, to amend the Old Age Security Act. The other items would then be No. 1 on today's order paper, No. 2 and No. 3 in that order dealing with harbour commissioners. The next item would be No. 17 on today's order paper, a motion standing in the name of the Minister of Agriculture referring certain business to the standing committee on agriculture and colonization.

If that business is completed on Monday and Tuesday we would take up the budget resolutions on Wednesday and then on Thursday and Friday take up estimates starting with those of the Department of Citizenship and Immigration and the other departments available. For instance, if transport were not finished we would take transport, post office, mines and technical surveys and fisheries. Any changes that have to be made in that tentative program will be announced in plenty of time for hon. members to adjust themselves to the change.

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

HOUSE OF COMMONS

Friday, June 3, 1960

The house met at 11 a.m.

SUPPLEMENTARY ESTIMATES, (1) 1960-61

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1961, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

PRIVILEGE

MR. HOWARD—REFERENCE TO EDITORIAL IN HAMILTON "SPECTATOR"

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on a question of privilege. It relates to the Monday, May 30, 1960 edition of the Hamilton *Spectator* and an editorial that appears on page 6 of that edition. The heading of that editorial is "A One-Man Defiance of Parliament". If I may, I should like to read one sentence from it. This has reference to Senate private bills relating to divorce. It states:

> They are being blocked now to satisfy the declared ulterior motive of one C.C.F. member of parliament, Frank Howard of Skeena.

Some hon. Members: Hear, hear.

Mr. Howard: Regardless of the applause, apparently for the editor, may I point out that this is absolutely untrue and that there are no ulterior motives. The motives have been stated time and again; they are open and declared, and are not hidden, unethical and secret as this editorial indicates. Another sentence, referring again to myself, says:

> Now he has openly threatened that he will hold up all the bills until the government changes the system or, in other words, forces divorce courts on the two provinces.

This also, Mr. Speaker, is untrue and nothing short of editorial falsehood. The entire editorial, and I do not want to read it all, is full of inaccuracies and I think represents how far out of touch with the times the editor of this paper is. If it wanted to be full and factual the editorial should have made reference not only to myself but also to the hon. member for Timiskaming (Mr. Peters) who is also participating in this sort of debate. It should also refer to the silent approbation and commendation which I have received from other hon. members—

Mr. Speaker: Order. The hon. member has risen to express a question of privilege, not to indicate what might have been said otherwise. I take it the point is that objection is taken to the reference in the editorial to ulterior motives.

Mr. Howard: And many other inaccuracies.

UNITED NATIONS

FURTHER STATEMENT ON ADMISSION OF ADDITIONAL REFUGEES

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I would like to make a brief announcement concerning the implementation of the extension I announced in the house last March of the government project for the admission to Canada of additional tuberculosis refugees and their families.

Hon. members will recall that under the original scheme last winter 100 t.b. cases and their families, comprising a total of 344 persons, were brought to Canada. The selection and processing of the refugees to be admitted under the extension is at present being carried out by our immigration officers stationed in Germany, Austria and Italy. The provincial governments have given us every co-operation in this project, and as a result of the undertakings they have given in connection with the extension it will be possible to place at least 100 additional t.b. cases, and possibly more, in the provincially operated sanatoria.

The stage has now been reached where it has been possible to make definite arrangements to bring the first group of t.b. cases and their families to Canada in chartered aircraft which will leave Europe on July 18 and July 25. If the processing of the third group of refugee families can be completed in time they will be flown to Canada in a charter aircraft leaving Europe on August 1.

Although the selection process has not been completed, reports which have been received so far indicate that somewhat broader categories of refugees will be available for inclusion in the extension than were included in the original 100 family scheme. It appears probable, for example, that some unmarried refugees suffering from t.b. may be admitted, as well as a number of refugees who have relatives already residing in Canada. It is also possible that families with more than one t.b. case will be included in the movement.

Inquiries of the Ministry

I am sure all hon. members will welcome the news that the first of these unfortunate refugees to benefit from the extension will be arriving in Canada in a very few weeks to begin building a new life.

Some hon. Members: Hear, hear.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I am sure the applause indicates the feeling not merely of the house but of the country that what the government is doing in extending this scheme is a very good thing. So far as we are concerned we are in complete support of what is being done. Our only conceivable criticism is that perhaps it is a little on the small side.

I would like at this time to make an appeal to the Acting Prime Minister (Mr. Green) to hasten the decision on the submission of the Canadian welfare council with respect to health and welfare care of privately sponsored refugees so we can get good results from private sponsorship, which is very difficult as long as this eternal liability is going to be placed on them.

Mr. H. W. Herridge (Kootenay West): This group gives wholehearted support to the government's action in this direction, which we take to be a tangible expression of Canadian support for humanitarian principles and sympathies.

PRIVATE BILLS

PROVISION FOR SUSPENSION FROM ONE SESSION TO THE NEXT

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-66, to provide for the suspension of private bills from one session of parliament to the next.

Some hon. Members: Explain.

Mr. Peters: The purpose of this bill is to provide for procedural means whereby private bills may be carried over from one session of parliament to the next. The sponsor of a private bill would be able, at his discretion, to suspend his bill and it would be proceeded with at the same stage at the next session. This would not involve the expenditure of additional money.

We recommend that the government take steps to transfer this bill to government orders.

Motion agreed to and bill read the first time.

[Mr. Green.]

NATIONAL DEFENCE

NORAD—PARTICIPATION OF CANADIAN FORCES IN U.S. ALERT EXERCISE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Minister of National Defence a question arising out of a report in this morning's newspaper. The question is whether Canadian units of the North American air defence command are participating in the latest United States readiness alert exercise.

Hon. G. R. Pearkes (Minister of National Defence): NORAD air defence forces maintain a normal alert status at all times, of course but no NORAD forces stationed in Canada are on an increased state of readiness at the present time. These remarks of mine do not indicate that any NORAD forces are on an advanced state of alertness.

Mr. Pearson: Is the minister aware that a spokesman of the defence department in Washington indicated that NORAD was participating in this exercise, including the Canadian forces in NORAD?

Mr. Pearkes: I saw a report in a Toronto paper to that effect. It is quite untrue as far as Canadian forces are concerned, and United States forces stationed in Canada.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question on that. If NORAD is a unified command, how can only one part of it participate effectively in this kind of alert exercise?

Mr. Pearkes: I am not admitting there is any alert exercise on at the present time. It would be for the United States authorities to say whether any of their United States forces are on the alert. The NORAD commander may exercise all or any part of its forces at any time. He would not place Canadian forces on an alert or exercise Canadian forces under his command without notifying Canada, though he might possibly exercise part of his forces, in the United States, without notifying Canada. I say most emphatically that no Canadian or United States forces of the NORAD command stationed in Canada are on a higher degree of alertness than normal.

EXTERNAL AFFAIRS

WEST GERMANY—PAYMENT OF COMPENSATION TO POLISH CANADIANS

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. In

view of the fact that the government of West Germany agreed to compensate the victims of nazi savagery for loss of health and property, and in view of the fact the government of West Germany has failed to consider the claims submitted by some 20 persons of the Polish Canadian community residing in the province of Alberta, would the minister inform the house whether inquiries have been made of the appropriate German representatives with respect to this complaint of these Canadians of Polish origin?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I did not receive this question until just as I was entering the chamber, so I am not in a position to give a definite answer, but there have been inquiries made, I think, having to do with these same people by various members from the province of Alberta. Answers have been given to them by mail. I shall look into the matter and let the hon. member have an answer at the first of the week.

DISARMAMENT—INQUIRY AS TO OFFICIAL RECEIPT OF SOVIET PROPOSAL

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Secretary of State for External Affairs whether the Canadian government has been yet officially informed of Mr. Khrushchev's latest disarmament proposal. If so, has he any comment he would care to make about it?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, we have had word from our ambassador in Moscow that he was called in yesterday by Mr. Gromyko and handed a personal letter for the Prime Minister (Mr. Diefenbaker) from Mr. Khrushchev, enclosing a rather lengthy document on disarmament. The full text of the document is not yet available to me. However, from the brief summary I have seen it appears that the document contains the details of the new proposals which Mr. Khrushchev announced a few hours later at his press conference.

The house will realize that it is not possible for me to comment on the proposals at this moment, but this communication from the Soviet government will have to be carefully considered by the government before a reply could be made.

I will say this, Mr. Speaker; that it is obvious from the nature of the statement that it is quite heavily weighted for propaganda purposes. Mind you, in saying that I would not wish to leave the impression that the proposals will not be given the most careful consideration. However, the 10-nation committee on disarmament is resuming its sittings on Tuesday next, and this will be a very good opportunity for the Soviets and their associates to put forward this proposal for consideration. There have also been proposals put forward to that committee by the five western nations.

It seems to me that there are two main courses open to this committee. One is to analyse all these different proposals in an earnest and sincere attempts to reach some agreement. This, of course, is the course which the Canadian delegation will endeavour to see is followed in the committee by all parties concerned, the representatives from both east and west. The other course could be to use the sittings of the committee for propaganda purposes and for building up a case to be argued out at the meeting of the general assembly of the United Nations which commences, I think, on September 20. I am very hopeful that this second course will not be followed, although there are suggestions that this attempt might be made. It does seem to the Canadian government that a course of that type would be very unfortunate and certainly would not be very helpful to the cause of disarmament or of world peace.

There is one feature that I should like to place before the house today. That is that in spite of the failure of the summit conference, the cold war in all its fury has not been resumed as yet as many feared would be the case. There seems to be a desire on the part of those involved to keep tension relaxed as much as possible. I am hoping some worth-while results will flow from the meetings of the disarmament committee which will commence so soon.

Canada has suggested to her fellow members from the west that meetings should not all be of a public nature, but that from time to time there should be private meetings with only the heads of delegation present and which would not be subject to full reports to the press. The practice so far has been to keep full records of the meetings, and while the reports are not given out at once they are published after a matter of a few weeks' time.

As hon. members will realize from their own personal experience in the House of Commons, this constitutes quite a temptation to talk for the record. The Canadian delegation believes there should be at last some private meetings when real negotiations can take place, and when those speaking do not have to worry about what their words are going to look like when published a few weeks later.

Inquiries of the Ministry

PUBLIC BUILDINGS

VANCOUVER—REPORTED NEGLECT OF HARBOURS BOARD TO OBTAIN PERMITS

On the orders of the day:

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I wish to direct a question to the Minister of Transport. Has the minister's attention been drawn to a press report in the Vancouver *Province* of June 1, which states that the Vancouver city council has been advised by civic officials that neither the national harbours board nor their contractors are obtaining permits for the erection of buildings on the new national harbours board centennial pier, and further that building materials are being used which are contrary to the national building code and the building regulations of the city of Vancouver?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for notifying me of his intention to ask this question. I am informed by the national harbours board that at their request the contractor did apply to the city for a building permit, but that the permit was refused on the ground that the fibreglass which was specified in lieu of glass did not conform to the city's fire prevention requirements. Fibreglass was being substituted to eliminate considerable breakage expense.

The board also informs me that the fire prevention standards of the national building code do not prevent the use of fibreglass. Furthermore, both the dominion fire commissioner and national research council advised the board that fibreglass was quite satisfactory as a substitution for glass. The contractor was therefore instructed to proceed with the use of this material.

TRADE

UNITED KINGDOM—REPORTED INTENTION TO JOIN EUROPEAN ORGANIZATIONS

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, yesterday I directed a question to the Minister of Trade and Commerce concerning an announcement made in Paris by a British government representative to the effect that Great Britain was preparing to join the European coal and steel community and EURATOM, and I based my question on that announcement. The minister said he had not seen the report of the announcement. I wonder whether the minister has now seen the report and is able to answer the question I put to him.

Hon. Gordon Churchill (Minister of Trade and Commerce): I have some information today, Mr. Speaker. I noted an article which appeared in this morning's *Globe and Mail* somewhat similar to what the hon. member for Ottawa West has said, to this effect:

> John Profumo, British minister of state for foreign affairs, declared here that she is prepared to join the European atomic energy agency and the European coal and steel community.

The hon. member's question was somewhat similar, to this effect:

> In view of the announcement this morning by the United Kingdom in Paris that she is prepared to join the European coal and steel community and EURATOM, can the minister advise the house whether or not Canada was advised of this action prior to the announcement being made and whether or not it involves any change in our preferential position in the United Kingdom market?

There seems to be a misunderstanding here. No declaration to that effect was made by Mr. Profumo, I am informed. He was in attendance at the assembly of the western European union in Paris on June 2. The assembly had before it a draft recommendation concerning the possibility that the United Kingdom might join EURATOM. I have not seen the actual text of Mr. Profumo's statement, but I am informed that he said the United Kingdom would be prepared to look again at the possibility of joining EURATOM and the European coal and steel community. It has not gone further than a statement that he would have another look at a proposal that had been before the assembly on a previous occasion.

On the point of consultation with Canada, I have no doubt at all but that consultation will take place, that is prior to any step by the United Kingdom. We have been closely in touch with the proposals affecting the Six and the Seven, and it is inconceivable that they would take any action without letting us know what they were contemplating before that action was taken.

Mr. McIlraith: Mr. Speaker, I should like to direct a supplementary question to the minister. Has there been consultation between the two governments on this particular proposal?

Mr. Churchill: No, because this proposal was not made by Mr. Profumo at all; it originated, I am given to understand, in that assembly from other sources.

Mr. McIlraith: My point, Mr. Speaker, arises out of the minister's statement that Mr. Profumo said he was prepared to again consider it. There was a reference in the minister's statement to "again consider".

IMMIGRATION

VANCOUVER—REPRESENTATIONS RESPECTING INVESTIGATION INTO ILLEGAL ENTRY OF CHINESE

On the orders of the day:

Mr. Frank Howard (Skeena): May I direct a question to the Minister of Justice. My question is based upon the question which I directed to him or to the Minister of Citizenship and Immigration yesterday, relating to whether representations had been received by either minister from the Chinese community in Vancouver respecting the methods used in the investigation into the alleged entry into Canada of people from China. The minister indicated that he had received no representations at that time. I wonder whether he has received such representations since?

Hon. E. D. Fulton (Minister of Justice): My office has not advised me of the receipt of any such representations. I will have a check made over the week end, and if they should have come in I will let the hon. member know.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the minister a supplementary question. In view of the conflicting statements attributed to the Royal Canadian Mounted Police, in one case that there were 11,000 people involved and in a more recent statement that they had narrowed the cases down to 400 or 500, does the minister not think an authoritative statement should be made by him to this house in order to reassure the Chinese community, which has a feeling of irritation which I think is quite justified in the circumstances because of the reflections upon many thousands of Canadian residents and citizens?

Mr. Speaker: Order.

Mr. Fulton: I am not aware of any conflicting statements. The hon. member has been handed a piece of paper which I take it contains some reference which has not come to my attention. Without studying it I would not know whether there has been any conflict or not. I would be glad to look into the matter. Perhaps the hon. member would let me have a copy of it, and we can consider the suggestions made.

Mr. Pickersgill: In the light of the question asked by my colleague the hon. member for Laurier on Monday, did the minister not get a copy of the script that was referred to in that question? This is the document which I have in my hand. I would be glad to send it to the minister.

Mr. Fulton: No. There was some confusion in the question asked. The impression I was given was that the hon. member for Laurier had in mind statements in a television interview supposed to have been given by the commissioner of the Royal Canadian Mounted Police. I found there was no such television interview at all. There was, I gather, a television interview with an official or a member of the Royal Canadian Mounted Police in Vancouver. I did ask for a copy of that transcript, but it would, of course, have quite a different implication from that which was suggested by the question of the hon. member for Laurier.

HOUSING

OTTAWA—STATEMENT ON REPORTED REJECTION OF SUBSIDIZED RENTAL PROJECT

On the orders of the day:

Mr. J. R. Garland (Nipissing): I wonder whether the Minister of Public Works is now in a position to answer the question I put to him yesterday.

Hon. D. J. Walker (Minister of Public Works): In reply to the inquiry by the hon. member for Nipissing I am now able to say that not only have I received no communication, but neither have the officials of Central Mortgage and Housing Corporation received any communication or had any discussions with the representatives of either the province of Ontario or the city of Ottawa in connection with the proposed subsidized housing development in Ottawa.

REPORTED CRITICISM OF HOUSING BY ARCHITECTS' COMMITTEE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Public Works. Although I have not sent him notice, with his grasp of the housing situation I imagine he will be able to answer it. Will the minister comment on the widely publicized critique of Canadian housing issued this week by a committee of architects who studied under the partial sponsorship of funds from the minister's department, and seem to have concluded that Central Mortgage and Housing Corporation and the National Housing Act are responsible for much of the bad housing in Canada?

Mr. Speaker: I suggest to the hon. member that this is hardly an appropriate subject matter for a question to be answered briefly at this period of the day. It seems to me that it would be more appropriately brought up when the estimates are before the committee, or some time when there could be a debate, because it is an argumentative question.

Inquiries of the Ministry

ROYAL CANADIAN NAVY

RETURN OF PERSONNEL TO VOTE IN NOVA SCOTIA ELECTION

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): May I direct a question to the Minister of National Defence. Yesterday the minister undertook to look into a request that certain ships be returned to Halifax in time for the personnel to vote in the Nova Scotia election. Can the minister say whether he has now investigated the matter, and if so can he assure the house that this request will be granted?

Hon. G. R. Pearkes (Minister of National Defence): I looked into the matter, as I said I would. I am advised that only a small percentage of the eligible voters will be absent. The remainder of the naval personnel will be given the facility and encouraged to exercise their franchise.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

SAN FRANCISCO, CAL.—REQUEST FOR OPENING OF TEMPORARY TOURIST CENTRE

On the orders of the day:

Mr. J. R. Garland (Nipissing): I have been waiting rather expectantly for the return of the Minister of Northern Affairs and National Resources, but perhaps I should direct this question to the acting minister. In view of the government's refusal to establish a tourist information centre in San Francisco this year on a regular basis, will the government now consider the opening of such a centre on a trial basis, with appropriate promotion, for this summer season?

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): I am not, of course, in a position to answer that question without getting information from the department. I will provide an answer on Monday morning unless the minister is back by that time.

FINANCE

NOVA SCOTIA—SPECIAL TAX INCENTIVES TO ENCOURAGE INDUSTRIAL DEVELOPMENT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Finance whether the government has received from the government of Nova Scotia any representations or any requests for special tax incentives to encourage industrial development in that province.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am not aware of any special proposals in this respect. Of course subjects of this kind, in relation to the application of fiscal policies on a regional basis, have been discussed from time to time at various dominion-provincial conferences whether at the Prime Ministers' level or the level of the ministers of finance.

Mr. Pickersgill: Can the minister say whether at the present time the government is giving any active consideration to this matter?

Mr. Fleming (Eglinton): The government is always giving consideration to fiscal questions and the application of sound fiscal policy for the benefit of all parts of Canada.

ROYAL CANADIAN MOUNTED POLICE

REPORTED DIFFICULTY IN OBTAINING RECRUITS FOR FORCE

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to direct a question to the Minister of Justice. My question is based upon an article in the Ottawa *Citizen* of two days ago and an article running today in the Vancouver *Province,* to the effect that the R.C.M.P. are having difficulty in recruiting members for the force and are losing present members because of low wages; and also one in the *Province* to the effect that street sweepers in the city of Vancouver are paid more than are R.C.M.P. constables. Can the minister indicate what steps are being taken to overcome this problem?

Hon. E. D. Fulton (Minister of Justice): Of course I have no knowledge of the accuracy of the report, because I do not know what would be the wages of street sweepers in Vancouver, Mr. Speaker; hence I could hardly be expected to comment on that matter. However, I can say that the question of the pay and salary scales of the Royal Canadian Mounted Police is a matter of real concern to myself as minister and to my colleagues in the government. As a result of studies regarding pay matters that are being carried on at the present time by my colleague the Minister of Finance, his officials and others concerned, it is my hope and objective to be able to record progress on the matter, although of course I am not able to forecast just when that will be.

(Translation):

BRIDGES

THREE RIVERS—STE. ANGELE—INQUIRY AS TO COMMENCEMENT OF CONSTRUCTION

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to direct a question to the Solicitor General (Mr. Balcer). Further to the Solicitor General's recent advice to me that I read the newspapers to keep abreast of developments with regard to the building of a bridge at Three Rivers, could he tell us when work can be expected to start so as to relieve unemployment in that region?

Hon. Leon Balcer (Solicitor General): Mr. Speaker, I am delighted to find that the member for Drummond-Arthabaska (Mr. Boulanger) followed my advice, but rather disappointed that he was unable to spot the most interesting articles published in the local press on the subject of this inquiry. There were indeed many. Consequently, may I urge him to keep right at it and I am sure he will find plenty of highly interesting information.

Mr. Boulanger: Would the minister tell us when work will start? Might he not give me that information?

(Text):

Mr. Speaker: I did not know that it was the responsibility of the Solicitor General (Mr. Balcer) to announce the construction of bridges. His administrative duties may have been increased, but I would think the question is misdirected.

Mr. Boulanger: Mr. Speaker, I should like to direct this question to the Minister of Public Works. I do not know whether he understood the question. I can put it in English if he wishes me to do so. I want to ask the Minister of Public Works when construction will be started on the bridge between Ste. Angele and Three Rivers?

Hon. D. J. Walker (Minister of Public Works): I want to thank the hon. member for the question. Although I have not received notice up to this time, might I tell him that this matter is being given our constant consideration and we will notify him first, or perhaps the house first, when the decision is made. I can assure him that it is being very seriously considered at the present time.

NATIONAL PARKS

NOVA SCOTIA—INQUIRY AS TO ESTABLISHMENT OF SECOND SITE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Is the Acting Minister of Northern Affairs and National Resources in a position to answer the question I asked him yesterday about a second national park in Nova Scotia?

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): No, Mr. Speaker. I am sorry that I have not received that information from the department as yet.

HOUSE OF COMMONS

WELCOME TO MEMBER FOR LISGAR ON RETURN FOLLOWING ILLNESS

On the orders of the day:

Hon. Howard C. Green (Acting Prime Minister): I am sure Your Honour will have noticed that the hon. member for Lisgar (Mr. Muir) is back in his seat today after a serious illness of some six weeks. We are all extremely happy to have him here. I am sure I speak for all members of the house when I wish him a complete recovery and express the hope that he will be able to be with us for the remainder of the session.

Hon. Lionel Chevrier (Laurier): We on this side of the house should like to join with the Acting Prime Minister in extending a welcome to the hon. member for Lisgar on his return to the house. We are delighted that he has been restored to health and we hope that it will be possible for him to assist us in terminating the business of the session.

SUPPLY

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

DEPARTMENT OF EXTERNAL AFFAIRS

The Chairman: I understand that by consent we are going to take first supplementary estimates No. 1, the Minister of Finance.

Mr. Fleming (Eglinton): I believe the course I am now about to propose to the committee will meet with general approval. I introduced this morning a new supplementary estimate. It comes under the Department of External Affairs and reads as follows:

499. Purchase and transportation to Chile of flour and pork for the relief of Chilean disaster victims and to authorize reimbursement of the agricultural commodities stabilization account in respect of the purchase of such pork, $1,600,000.

I realize that the notice to the members of the committee is extremely short, but in

view of the great urgency of the matter may I ask whether the committee might be prepared to take this item first, to pass it, report the item, then permit the house to resolve itself into committee of ways and means in order to deal with the corresponding resolution in committee of ways and means, have it reported and allow the bill to be given at least first reading today.

This is a new item, as hon. members will appreciate. We have no interim supply at all in order to deal with this. In order that the aid to Chile may be made effective it is highly desirable that it be dispatched at once. While something could be done in that respect with regard to shipments of pork, nothing can be done with respect to shipments of wheat flour. We simply have nothing in the estimates covering this matter. It is an unexpected calamity. In view of the urgency I would ask the committee to give its consent. I have had the opportunity to speak to hon. members opposite and I believe this course will be supported by them.

Mr. Chevrier: In so far as notice is concerned, we on this side of the chamber do not consider it necessary under these circumstances, and we are prepared to give full support to this measure. I think the committee will be happy with the decision of the government to come to the assistance of these people in Chile who have suffered so much because of the tragedy that has befallen them.

The decision the government has taken to give assistance to Chileans in this form is one, of course, which the government is in a far better position to determine than are the members of the opposition. Whether this form or some other form is better it seems to me is a matter for the government to decide, and with that we can find no fault. We do think that if there is going to be assistance, if it is the intention of parliament to grant assistance to those who have suffered, it should be given to them immediately and without any delay.

With that in mind we support this item for immediate approval.

Mr. Herridge: Mr. Chairman, this group gives complete endorsement of this further action on the part of the government to assist disaster-stricken Chile. We recognize the need for haste. We are all in favour of getting this assistance into the hands of the people who need it as soon as possible, and on that account we are willing to co-operate in any way we can to pass the various stages of necessary legislation as expeditiously as possible.

[Mr. Fleming (Eglinton).]

Mr. Green: Mr. Chairman, may I thank the hon. member for Laurier and the hon. member for Kootenay West for their support of this item. Fortunately it was possible for me to learn from the minister of the interior of Chile direct what type of assistance he would prefer from Canada, and the provision of the flour and the canned meat are two of the items he requested.

I had a wire just a few minutes ago from our ambassador to Chile, Paul Tremblay, who is doing an outstanding job, by the way, reporting on a visit he had paid to the stricken area. This wire will give hon. members some idea of just what is going on in that country which has suffered such a blow. He says:

I have just returned from a few hours visit to Puerto Montt where our two North Stars flew in their supplies and brought back evacuees (including two stretcher cases) yesterday. General impression is that of a city accurately and selectively bombed but where no major fire developed. Three successive earthquakes and abnormal ten foot tide on May 21 and 22 left 147 dead destroyed 50 per cent of the houses mostly in poor districts. There are some 25,000 homeless and downtown streets are flooded. Due to destruction of water mains and sewage system main hotel had to be evacuated. The hospital police headquarters a flour mill and cheese factory a food packing plant are now so many heaps of rubble. Puerto Montt has 45,000 population is end of railway line to south and is the supply centre for the whole southern region of Chile. Its excellent harbour facilities have now been wrecked. Water front has apparently sunk two metres at places concrete wharves are broken or tumbled and frogmen are endeavouring to recover cranes and other equipment. Railway station nearby badly damaged and re-establishment of railway communication will take at least two months. Local needs are for tents clothing blankets for homeless. Medical supplies in Puerto Montt are now adequate. I was told food supplies are available for immediate needs in Puerto Montt city hall and other distribution centres. Hundreds of people queueing for emergency relief. A local requirement is for tarpaulin or waterproof plastic material to protect flour vegetables fruits etc from rain. The Canadian Red Cross representatives here will report on general requirements directly to their headquarter after tour of the disaster area.

Mr. Chairman, I would like to pay tribute to the Canadian Red Cross for the help they have given. In addition they have sent representatives to Chile. The telegram continues:

I was received by governor of province and military authorities who were almost embarrassingly profuse in expressing their appreciation and gratefulness for assistance provided by Canadian Red Cross and Canadian government. Governor is also responsible for island of Chiloe where Ancud and Castro are located. He said that our hospital unit in Castro will fill urgent need. Local hospital was wrecked and flooded and although number of wounded is not large there are large number of cold exposure cases particularly children infection pneumonia etc. Our unit will also take care of people from Ancud thus providing independent medical facilities for the island.

We left our equipment safely stored in Puerto Montt and as soon as tent arrives tomorrow hospital unit will be flown from Puerto Montt by small aircraft and helicopter to Castro. My general impression shared by Canadian Red Cross representatives is that relief organization in Puerto Montt is working smoothly with assistance of police and military reinforcement sent from Santiago.

That will give the committee a pretty clear picture of just what is going on in that country.

Item agreed to.

Resolution reported and concurred in.

WAYS AND MEANS

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Flynn in the chair.

Mr. Fleming (Eglinton) moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1961, the sum of $1,600,000 be granted out of the consolidated revenue fund of Canada, as set forth in the resolution concurred in this day in the committee of supply.

The Chairman: Shall the resolution carry?

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-67, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the bill be read the second time?

Mr. Fleming (Eglinton): Mr. Speaker, might I by leave just make a comment here. If it were the wish of the house to carry the bill through the later stages, I can assure hon. members that the bill simply follows the usual form of a final supply bill. If the house prefers, however, that the matter be held over till Monday so hon. members can see the bill, that will be done, of course; but I can say to the house that if it were disposed to carry the bill through the later stages it is simply in the usual form of a final appropriation bill.

Mr. Chevrier: Mr. Speaker, we are perfectly satisfied to allow the second reading of the bill.

Mr. Herridge: We agree wholeheartedly with that suggestion, Mr. Speaker.

Mr. Speaker: By leave, the bill will be read a second time now.

Mr. Fleming (Eglinton) moved the second reading of the bill.

Motion agreed to, bill read the second time, considered in committee, and reported.

Mr. Speaker: When shall the bill be read a third time? Now?

Mr. Pickersgill: By leave.

Mr. Fleming (Eglinton) moved third reading of the bill.

Motion agreed to and bill read the third time and passed.

Mr. Fleming (Eglinton): May I express my thanks to the house and to both committees for the way in which they have dispatched this urgent measure today.

SUPPLY

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

DEPARTMENT OF TRANSPORT

402. Departmental administration (including the former St. Lawrence river joint board of engineers —Canadian section), $2,732,470.

Mr. Payne: It would be surprising if when we were discussing the estimates of the Department of Transport some comment did not come from this quarter with respect to the gem of the national harbours board, the port of Vancouver. Many of my remarks will be complimentary to the minister and his officials, for after many long years of neglect and disregard this great port facility is receiving, certainly in the initial phase, some of the attention it so rightly deserves.

I am sure the minister was as pleased as I was to find that according to the 1959 report, during the past year 60 per cent of the arrivals and departures of vessels at all the national harbours board ports in Canada, and 40 per cent of the gross tonnages and almost 30 per cent of all the cargo, used this great facility; a facility which, I again point out, has so far cost the people of Canada nothing. It operated again at a profit of well over $1 million, and this after a year when at long last the national harbours board decided to spend an amount more in keeping with the requirements for the maintenance of the port. Spending in connection with these needs was raised at last to something considerably greater than was spent on the port of Churchill, with 132 vessels moving in and out each year, compared with almost 30,000 vessels moving in and 30,000 vessels moving out of the port of Vancouver in the calendar year.

I mention these points just in order that the committee may have some idea of the importance and the urgency of the problem concerning this great facility which has grown up through years of disregard and neglect. The minister announced in the house on June 12 last the establishment of an interdepartmental study to consider the development program required by the port of Vancouver. Shortly thereafter this interdepartmental body was brought into being and began its work. At the same time certain measures were taken to study the terminal rail facilities which today still remain in a state of utter confusion, with a complex pattern of arbitrary and unjust switching charges which operate against the economy of the whole of western Canada and the future usefulness of the port itself.

I should like to tell the minister how pleased and enthusiastic the people of the west coast were to learn that these studies would be undertaken. But I hasten to warn the minister that after 12 months these urgent matters should be the subject of a report, as the interdepartmental study should consist basically only of the groundwork in preparation for a fuller and broader study in which industry, commerce, the carriers and the municipalities affected by the development of these facilities may have an opportunity to submit their just case and worth-while suggestions. I say to the minister that if his estimates are to be greeted again—if the national harbours board vote is to be greeted again—with pleasure by those of us who come from the west coast, it will only be so if these studies are kept on the urgent, active basis so urgently required.

During the past year there has been a notable development which has further emphasized the shortcomings of the facilities available at the port. The Pacific and Orient Lines have announced the introduction of a very extensive trans-Pacific passenger vessel service. This is a matter of great concern to us. Now we find that the Pacific and Orient Lines will be wishing in less than a year to berth passenger vessels of 40,000 tons or more, vessels much larger than those which normally have made use of our port. There are no terminal facilities whatever capable of handling or properly berthing vessels of this size. This again is a reflection on the past, when this gem of the national harbours board ports of Canada was disregarded with complete indifference to the needs of the Pacific coast region. The development to which I have referred emphasizes the need for providing terminal passenger facilities in line with those which have been available in every other national harbours board port for many years but which are denied the port of Vancouver.

All this brings me to the point of taking a look at a skelton in the closet. I wish to bring it forth and talk about it. This is a matter which has concerned me greatly. Governments in the past have chosen to leave this thing in hiding. I have endeavoured to discuss the matter with officials of the national harbours board but they have looked askance, perhaps not unreasonably, because I am sure it involves a matter of policy the solution to which rests in the minister's hands. I refer to the clouded title to the right of way running along the water lanes and the water frontage now occupied by the Canadian Pacific railway, along the south of Burrard inlet. I am not saying that I join with any of those who say that title to this property does not belong to the C.P.R., nor am I one who says it does not belong to the crown. I am here to say on these estimates that it is time the national harbours board took a stand on the matter.

The matter should be brought to the courts to find out where the title truly rests, because the eventual proper utilization of the port, its proper planning and its value to the people of this nation, depend upon who controls the title.

We were just discussing the need for terminal passenger facilities, and I mentioned the need for an entirely new approach to the problem of terminal rail facilities. The title to this property holds the key to the way this problem can be approached. It is my view that the national harbours board should seek through the courts at the earliest possible time a decision that will dispel the existing cloud with reference to this title and clear the way to solve this urgent need for passenger facilities.

If the title to these properties rests properly in the hands of the C.P.R. the future action is clear. We, the government of Canada, must see that the C.P.R. creates the necessary facilities on those lands. If they refuse to do so, and they do hold title to these properties, then the next thing is to demand that the government expropriate the property and enter into the construction of the facilities that are so desperately needed. If, on the other hand, the title rests with the federal government, the issue is clear. It is up to the national harbours board to act and provide the necessary passenger terminal facilities.

While discussing matters relating to the national harbours board I should like to say a brief word about bridges. We have heard a great deal of discussion in this chamber and elsewhere regarding the current spending, the

past spending and the proposed future spending on bridges across navigable waters in the Montreal area. We on the west coast have bridge problems. We have many major multi-million dollar bridges crossing navigable waters in that area, including the first narrows bridge at the entrance to Burrard inlet, the two bridges at the second narrows, the Oak street bridge, the Granville street bridge and the Patullo bridge and others on the Fraser river.

The cost of these has been borne by the people of British Columbia. We can go to Halifax or Quebec city or elsewhere in Canada and find that the approach or policy with reference to bridges differs from that applying in Montreal. I submit that there is no policy with respect to bridges on the west coast, and I submit that Canada must have a policy applicable to bridges crossing navigable waters generally. Either we must establish a bridge policy that will meet the problem and ensure that bridges are provided and properly maintained, or we should get out of the bridge business entirely. It is urgent that the bridge policy be unified across this nation.

Last year a tragic marine disaster occurred just off the shores of my constituency. It is widely known as the Ferngulf disaster. As a result of that tragedy the minister undertook a study and made an announcement regarding the establishment of a new coastal marine service. The people of the west coast, and I am sure the people of coastal areas elsewhere in Canada, were pleased about that announcement, but today they want clarification. They would like some details of the operation and a report on what is being done. This service must be brought into existence. Like the whole question of the port of Vancouver it is a matter of great urgency.

I wish now to deal briefly with the subject of airports. In this connection I regret that I cannot extend congratulations to the minister and his department when I reflect on the absolutely amazing sequence of events that has occurred concerning the Myrtle Point airport at Powell River. It would be the only such facility on the upper coastal mainland provided in a fog-free area to protect against emergencies should the lower mainland of greater Vancouver be fogbound.

Two years ago, without my having made recent representations on the matter, although I had brought it to the minister's attention on previous occasions, an announcement was made out of the clear blue sky by the officials of the Department of Transport that this facility would be constructed. Ever since we have witnessed the most fantastic program of vacillation. I can best describe it by saying that there is in this field a great need for leadership in the department, and if the proper leadership does not correct this problem of immobility, inefficiency and waste then it needs a thorough housecleaning. In this instance we have witnessed immobility on the part of a bureaucratic organization chasing itself around in wild circles until I think it will vanish off the face of the earth. It has cost us thousands of dollars and has produced nothing of value for the people of Canada.

In my efforts to get to the bottom of this matter—and I have consistently worked at it on a weekly basis for many months—I have developed that strange, frustrated feeling of a swimmer trying to go up the Fraser river against the incredible currents that abound there. Today we have reached the appalling stage where officialdom is calling on the town of Powell River to help finance a program announced two years ago by the federal government without any discussion at that time with the municipal authority. I have been unable to obtain adequate information on this matter, and I bring it once again to the attention of the minister, not as a means of criticizing him but as a means of stressing the urgent need that a serious look be taken at this branch of an otherwise efficient department.

I wish to thank the committee for the opportunity of reviewing these matters. I wish the minister continued success this year. But, as a note of caution, I again underline the fact that the problems discussed are extremely urgent.

Mr. Howard: Mr. Chairman, it is not my custom to refer to situations in other communities—

Mr. Taylor: When did you adopt that policy?

Mr. Howard: —but I have lived on the west coast all my life, and have travelled extensively through the constituency of Coast-Capilano represented by the hon. gentleman who has just taken his seat. I know many of the communities to which he referred, and I commend him on his splendid address. I trust that as a result of his representations the problems he has raised will be met.

I wish now to deal with some local problems of interest to everyone along the coast of British Columbia. The *Simon Fraser* is a buoy and supply vessel costing in the neighbourhood of $3 million which replaced the old *Alberni* and was to be based at Prince Rupert in fulfilment of a promise made by the federal government. The problem is Prince Rupert versus Victoria, as it were. It is true that this promise was made during the time the Liberal government was in office,

but it is still a commitment that should have been kept with the people of Prince Rupert and with the communities and areas and lighthouses which would have been serviced by the *Simon Fraser* out of Prince Rupert.

Until about a month or so ago the only vessel that was stationed there was the old, inadequate, antiquated *Alexander Mackenzie.* Beyond that there was nothing in the line of ships of this type to service the area. This has meant at the economic end that perhaps 20 or so families who had been living in Prince Rupert have had to tear up their roots, as it were, and leave. Now that the *Alberni* is gone and the *Simon Fraser* is to be stationed some 500 or 600 miles away in Victoria, this is the situation.

In the past Prince Rupert has not looked too kindly upon federal governments. Probably the worst betrayal they experienced in recent years was the sale and removal of the drydock at Prince Rupert. This was done under a Liberal administration. It was something which upset the residents of Prince Rupert and the economy there to no end. If the attitude of the present government or of the minister with respect to the *Simon Fraser* is to continue the people in Prince Rupert will develop, if they have not already developed, the same attitude toward the Conservative government that they had toward the Liberal government when the drydock there was cut up into little pieces, uprooted and sold to somebody who not only took it away from Prince Rupert but out of the country entirely.

I understand the *Simon Fraser* is being based in Victoria. This is in line with what the minister or his officials term a need for greater flexibility in the use of those particular vessels.

We have a great need on the west coast, as they do on the east coast, for some sort of coastguard arrangement which would be far better than what we have had in the past. This is particularly true in the case of a ship disaster. The north coastal waters, the area of Hecate strait and the entrances around the Queen Charlotte islands and Prince Rupert get extremely violent at times, because they border on waters which are open to the Pacific. If there are disasters there we shall again have to rely upon United States coastguard facilities to effect any rescue. Apart from that, the *Alexander Mackenzie* is considered, as I mentioned earlier, to be an antiquated or inadequate type of vessel for servicing lighthouses, replacing buoys and other navigational aids. In servicing lighthouses with supplies, especially when they are perishable goods, there is some doubt as to whether those supplies can get there in the condition in which they should be when they arrive; that is, if they are frozen, whether they will remain in that condition and not deteriorate.

The minister was in Prince Rupert in the summer of 1957; I forget the exact date, but it would be around July or August. It was after the federal election of 1957, in any event. He spent a day or so there. He had occasion to tour the city and spend a period of time on the *Alberni* itself with officials of the Department of Transport and the city of Prince Rupert. He toured the construction work that was then taking place on the new airport at Prince Rupert. Although I had occasion to meet the minister for only a few moments while he was there I would assume that during the time he and his staff were there he had occasion to get a fairly complete picture of the economic and geographic circumstances surrounding Prince Rupert. I am sure in his own mind he knows and appreciates those problems to the fullest extent by reason of his visit there, and certainly by reason of subsequent reports that he has undoubtedly received since that time.

If the minister needs any refreshing of his memory as to the great need—I refer now to the *Simon Fraser*—for the establishment of this vessel at Prince Rupert, then I am quite sure he would find that the entire city would again welcome him with open arms as they did then. He could then reinforce his memory about the need for this particular vessel to be stationed there rather than in the capital city of Victoria, which is some 500 or 600 miles south.

I am in no position to extend any official invitation on behalf of the city of Prince Rupert, but I know members of the city council, members of the chamber of commerce and other organizations in Prince Rupert, and I know the minister would be most welcome at any time, and especially now. Our people would be happy to remind him of the great need that exists in Prince Rupert for the establishment of this particular vessel there rather than in Victoria down at the southern end of Vancouver island. Perhaps this is what the minister needs, a sort of west coast, two or three week vacation from his arduous task of running probably the largest department in the government. It would not only assist him but would be beneficial and give him a psychological rest from his chores and duties. I am sure it would assist his memory and understanding of the requirements of that particular part of the country, and it might even be beneficial in getting the minister to change his mind and place the *Simon Fraser* in Prince Rupert, where it was promised she would be and where she should be rather than in Victoria, where she would be of

relatively little value to the upcoast except on the occasional visit she makes there in her tours.

I should also like to make a comment or two about the airport at Prince Rupert. This is a pretty sore point. It was a sore point with the city of Prince Rupert and the people there during the past winter as it was during the winter of 1958-59. We all know, Mr. Chairman, that the Minister of Transport's colleague, the Minister of Labour, has been engaged in the last two years on what he classifies as an extensive winter works program to encourage municipalities to undertake certain types of work in the winter period to ease unemployment. At the same time the Minister of Labour has been pushing this particular program of winter works with the municipalities to ease unemployment, the Minister of Transport has been working in the opposite direction by curtailing work which could have been carried on in winter time on the airport itself.

This is not a question that was raised just this past winter. As I mentioned, there was concern felt all during the winter of 1958-59, and there was hope that some extensive examination could take place. The people of the city of Prince Rupert could see far enough into the future, if the minister could not, to see what would occur during the past winter of 1959-60. There were statements many months ago concerning the need for work on that airport during the winter months which would not only speed up completion of the airport but would also ease the unemployment situation in Prince Rupert. It seems that on the one hand we have the Minister of Labour proposing and pushing a particular scheme to ease unemployment, and on the other hand his colleague the Minister of Transport holding back, delaying and procrastinating on the very same thing.

I do not need to refer again to the fact that the minister was out there in 1957 and toured the airport work. He has knowledge of it from a personal inspection as well as from reports. I say again, if he would like to return at any time to refresh his memory concerning the need that exists, although the winter has passed, he would still be welcome. There has been some extensive correspondence in this connection, and the minister was kind enough to send me a copy of a letter which he sent to His Worship Mayor Lester of the city of Prince Rupert. The letter is dated February 15, 1960 and sets out in some detail the work which is still to be done on the airport and the dates upon which this work would be expected to be commenced.

Perhaps I might be permitted to make a brief reference to the letter itself, Mr. Chairman, without reading it in its entirety, although if anyone so desires certainly it is easy enough to place the letter on record so the full intent of the minister will be seen. He makes reference to the air terminal building, and indicates that plans and specifications for that building are in an advanced stage of preparation, and so on. However, he says it may well be that the construction period will be in excess of 12 months from the time of the award of the contract. This really does not meet the great need that exists for the completion of that airstrip. The people of Prince Rupert are not concerned about activities 12 months hence.

At the time the letter was written by the mayor—incidentally, it was written on December 7 of last year—he was concerned about an immediate start on the construction in order to complete the airport and also provide employment to ease the unemployment situation. All he got in reply was that something might occur 12 months from then, or that after the contract was awarded the building might be completed within 12 months. The minister also makes reference to the I.L.S., the radio buildings and emergency power and says it is expected that tenders will be called within two or three weeks of the date of this letter. The target date for commissioning is September 30, 1960. This is not the period of time within which the work would have been most beneficial, and in keeping with the expressed aims of this government.

In so far as power service to the airport is concerned, the runway and approach lighting, it is expected that tenders will be called for this work in March, 1960, with the target for completion August 31, 1960. Then there is the clearing for the hazard beacon. The indication was that tenders had been called for that project as of the date of the letter, and it was expected the work would be completed entirely within the winter months, which was the initial request of the city of Prince Rupert.

In so far as the equipment garage is concerned, the indication here is that this purchase would be completed within the next few weeks. This is a small part of the total work involved, but it would also have been completed within the period. As I say, it is too late now because winter is over, and this project cannot be made part of the government's winter works program to try to ease unemployment, which I think should have been done. Nevertheless, I raise the matter as a sort of complaint of past failures.

I should like now to make brief reference on this transport question to the proposed

railway to be constructed in the interests of the Wenner-Gren foundation. It is proposed to build the line from somewhere near Prince George north to the British Columbia-Yukon border and, perhaps later on, through the Yukon Territory to Alaska. This, Mr. Chairman, is part of the sell-out by our provincial government in British Columbia to the Wenner-Gren interests, a part of the steal of one tenth of the province of British Columbia. At the moment we have in that particular area two railways; one is the Canadian National northern line that runs through Jasper and Prince Rupert, and the other is the Pacific Great Eastern Railway which runs from North Vancouver up through Prince George and thence farther north. I am only concerned with the Prince George section at the moment. The proposal of the Wenner-Gren people is that an additional railroad should be constructed starting somewhere near Prince George—I am not thoroughly familiar with the exact take-off point—and going in a sort of northwesterly direction along the Rocky mountain trench up to the Yukon border.

I really believe this proposal for the construction of this railroad has more connection with an expected provincial election in British Columbia than it has with anything else. If they think they are just going to build a railroad that is going to stop at the Yukon border in the north, then this company and the provincial government are a bit nuts. Logically this should be a railroad that runs up to Alaska, and to that extent the federal government is involved, the Department of Transport is involved and perhaps the Canadian National Railways, even though apparently they do not want to be involved, because the railway would then be outside the province of British Columbia and would come under federal jurisdiction.

The proposed route of the railroad, as the minister will know, is in the wrong place. It is not economically feasible and it is not sensible to build it from its present take-off point. I submit that if the Canadian National is not going to participate, and apparently they are not, the railway should start from Hazelton, thence northward along a fairly decent route to whatever the terminus would be in the north. This was called route A. It was seriously considered by the United States defence department as an alternate route to Alaska during the second world war, that is an alternate route to the present Alcan highway. So far as I know, the route has been completely topographically surveyed by the provincial department of lands and forests as far back as six or eight years ago.

I understand that the president of the Canadian National Railways, Mr. Gordon, has written to Premier Bennett on two occasions making some suggestions with respect to this proposed railway the provincial government is sponsoring. He has suggested that the Wenner-Gren people use that part of the Canadian National Railway right of way from Prince George west to Hazelton and then go northward from there. It is pointed out that this would save approximately $30 million which otherwise would be spent for that some 200 or more miles of heavy construction that would have to be done for the Wenner-Gren railway. It is quite a logical suggestion and one that should be accepted, in my opinion, because the two railways—that is the Canadian National Railway line and the proposed Wenner-Gren railway—will fairly well parallel each other for a distance of some 200 miles.

Certainly a saving of $30 million should be acceptable to the provincial government and to the Wenner-Gren people. I understand that the route would be somewhat longer by using the Canadian National rails and right of way but that the grades are much easier, and that constructing a railway such as Wenner-Gren proposes, in fairly difficult territory, would be more costly than if they were to follow the present route of the C.N.R.

But as I said, I am of the opinion that there is more concern in Premier Bennett's mind in using this matter as an election gimmick in northern British Columbia than there is in actually building a railway and that actually, regardless of his proposed gift or sell-out to the Wenner-Gren interests, this railway some time will have to come under the jurisdiction of the federal government or the federal government will have to participate in it in some way. Quite frankly, I may say I think the Canadian National Railways have missed the boat completely in not proposing or starting building that northward extension from Hazelton many years ago.

However, that is its business. Apparently the C.N.R. runs so inefficiently under Mr. Gordon that it is losing money hand over fist, and perhaps he would not think in terms of losing any more, because apparently his views are connected with the amount of mileage he has under his jurisdiction. So much for the railway which I think is a necessity, which I think should be built under a public corporation such as the Canadian National Railways, and which should have been built many years ago from Hazelton north, not by the present route from Prince George and paralleling 200 miles of C.N.R. line.

I should like to make a comment or two about coastal shipping, and perhaps I can

go into some detail on this question when the Canadian maritime commission estimates are before us. I should like to put these thoughts before the minister now, however, so that he and the officials of the maritime commission will have a full appreciation of them if they have not already such an appreciation.

We have complained of this question for a number of years. Last night I was interested to hear the hon. member for Comox-Alberni make reference to the question of coastal shipping also. While he did not go quite so far as to suggest any alternative method to that which exists now, at least he recognized the problem.

Coastal shipping in British Columbia has deteriorated tremendously in the last few years, and I would say this deterioration has increased under the Conservative government rather than lessened. I do not know whether this is the fault of the minister or whether he even knows in much detail the situation which exists with regard to coastal shipping in British Columbia. We pay an annual subsidy to Northland Navigation Company of some $294,500 a year, I think it is. That is a subvention or subsidy to provide service to isolated spots on the coast of British Columbia.

Unfortunately this Northland Navigation Company, which is in a monopoly position in many respects, is taking a rather cavalier and discriminatory attitude toward the communities it is supposed to service. I understand that Captain Terry, the owner of Northland Navigation Company, is rather friendly with the Conservative party. Perhaps this is one reason he got the contract or the subvention in the first place.

Some of the things his company does might bear relating. For instance, a year ago at Christmas time, without any warning other than some advertisements in the newspaper; without any reference to the Canadian maritime commission, something which should have been done; without any formal request being made to alter the schedule of service to these up-coast communities, Northland Navigation Company suddenly decided that they were not going to service these communities during Christmas week. This decision left many people completely isolated. It upset the Christmas mail; it upset delivery of Christmas parcels; it upset the plans of people who wanted to travel in or out of those communities at Christmas time in order to be with their families. That was done all because Northland Navigation Company is in a monopoly position and is able to do what it feels like doing, and all because it or Captain Terry is a very close friend of the party that is now in office.

I have had telegrams and letters galore from people in communities like Bella Coola, Bella Bella, Ocean Falls, and Stuart and Ellis islands over in the Queen Charlotte islands; time after time complaining about the poor, inadequate and disgraceful service that is provided to these communities by this particular company to which we pay almost $300,000 a year as a subsidy in order for them to provide that particular service. I know there was a great deal of politics involved in the decline of Union Steamships which preceded Northland Navigation Company. I do not intend to go into that matter.

Mr. Broome: Will you go into the matter of their subsidies?

Mr. Howard: The amount is $294,000.

Mr. Broome: One million dollars is what Union Steamships asked for.

The Chairman: Order. I am sorry to interrupt the hon. member for Skeena, but his time has expired.

(Translation):

Mr. Asselin: Mr. Chairman, the introduction of the estimates of the Minister of Transport (Mr. Hees) gives me the opportunity to draw to his attention three important problems, on which, I think, the economic survival of my riding is based.

First of all, I want to say a word about winter navigation on the St. Lawrence river. I had the privilege, on January 29, 1960, of expressing in this house my personal opinion on winter navigation, but since certain newspapers misrepresented the statements I had made at the time, today I would like to clear up matters. With regard to this particular matter, I think I have shown more courage in the past than did the hon. member for Laurier (Mr. Chevrier) and all Liberal members, who never dared to state their position clearly and accurately but were satisfied with double talk, as was the hon. member for Laurier yesterday. Yesterday, when I asked the hon. member for Laurier whether he was in favour of winter navigation up to Quebec, he answered as follows, as recorded on page 1 of the appendix to *Hansard* for June 2:

> Our party is in favour of providing services when they are required to promote industry where necessary, whether it is a matter of supplying icebreakers or other services to promote winter navigation to a port such as Quebec, for instance.

But, Mr. Chairman, the hon. member for Laurier took great care not to say what kind of services his party intends to provide in answer to the problem of winter navigation up to Quebec. Are they to be icebreaker

escorts for all ships that sail up the St. Lawrence river as far as Quebec? We do not know. The Liberal party has always been afraid to take a definite stand on this matter.

I stated last January that I was in favour of winter navigation up to Quebec city, but with due regard for certain economic factors which, to my mind, are the basis of a project of such scope.

I objected at the time to winter navigation up to Quebec city unfairly competing with certain ports on the north shore, such as that of Pointe au Pic, for instance, which was always open to navigation all year round, because, as I stated in January, a natural phenomenon keeps ice from setting in that port.

Now, Mr. Chairman, since navigation has been open up to Quebec, ships that used to load up at Pointe au Pic have been sailing through to Quebec city under icebreaker escort to pick up cargo, with the result that last winter operating revenue dropped by 75 per cent at Pointe au Pic. I think the Department of Transport should set basic requirements to assist ships using the St. Lawrence river in winter.

Before going out to help ships and escorting them up to Quebec, the Department of Transport should require that they be registered as reinforced and equipped for ice conditions. If that were done, the Department of Transport should go out and help any ship of that type that found itself icebound. This would obviously promote winter navigation of sea-going ships prepared to sail up the St. Lawrence provided they are escorted if they find themselves in difficulties. But for heaven's sake, Mr. Chairman, coastal ships not so reinforced should be allowed to serve north shore ports as in the past, without any guarantee that if they run into ice the assistance of icebreakers will be available to help them at any time.

In that way, small ports along the north shore could go on reaping substantial revenue from winter navigation, something that is essential to their economic survival. And if the Department of Transport looks upon the matter in that light the Quebec harbour as well as smaller ports will have their traffic.

I also wish to call the minister's attention to the need for a serious study, to be undertaken as soon as possible by his department, on the possibility of building a railway between La Malbaie and the north shore.

[Mr. Asselin.]

I think there is no need to list every development existing on the north shore to justify the need for a serious study of such a project as soon as possible.

Let me only say that the north shore has been developing at a tremendous pace in recent years. In 1958 it produced 1,300,000 cords of pulpwood, worth $32 million, and it is expected that in 1980, production will be approximately 2½ million cords, worth $57 million. With respect to iron ore, production in 1957 was 12 million tons, worth $142 million. In 1958, it rose to 21 million tons, a value of $229 million, and it is expected that in 1980, production will reach 32 million tons, worth close to $495 million. In 1958, aluminum production stood at 37 million tons, worth $18½ million, and it is expected to reach 295 million tons in 1980, or in dollar terms $177 million. Finally, Mr. Chairman, power development was rated at one million horse power in 1958, a value of $17½ million, and in 1980 production should reach three million horse power representing a value of $59 million.

To these statistics must be added the fact that the population on the north shore is increasing very rapidly. Such is the case at Sept Iles, a community which in 1951 had a population of 1,800 which is now up to 15,000. In fact, the north shore population is expected to reach 80,000 by 1980. It should not be forgotten that the companies operating in the area are spending millions of dollars to develop our mines and forests, and I might add that companies like the Quebec Northshore and Labrador Railway Company and the Iron Ore Company have just completed a 350-mile railway to ship their iron ore.

In the light of those statistics, it is rather unreasonable, I think, that this area be left isolated for several months of the year because air and surface communications are practically impossible during four months because of the severe climate conditions prevailing there. Those statistics alone are, in my opinion, strong enough arguments for the Department of Transport to seriously consider the building of a railway that would link the north shore with the other commercial centres of Canada. Not only would it meet local needs, but it would have the added advantage of contributing to the better development of our natural resources and to a more orderly development of this country.

At times, it is objected that the Saguenay is a serious obstacle to the achievement of such a project. This brings me, Mr. Speaker, to submit another request to the Department of Transport.

Traffic on the north shore is developing at a growing rate and car drivers who wish to cross the Saguenay have to use a ferry operated by the Clarke Steamship. If we want to make it possible for mining and lumber companies to enjoy cheaper transportation for their products, once that railway is built we shall have to consider the possibility of building a bridge too, across the Saguenay. As the Saguenay is navigable and lends itself to the running of timber, the jurisdiction of the federal government cannot be questioned, and such a project could be achieved in co-operation with the federal government and the province of Quebec. May I then urge the Minister of Transport to set up a joint committee of experts, both from the federal government and from the province of Quebec, to consider the possibility of building a bridge on the Saguenay? Such a project would be of tremendous service to the many people who live on the north shore and would also promote increased development of our natural resources.

The Chairman: It is now one o'clock. If the hon. member is just about through—

Mr. Asselin: Yes.

(Text):

The Chairman: Will the committee permit the hon. member to continue his remarks?

Some hon. Members: Agreed.

(Translation):

Mr. Asselin: Before concluding my remarks, I wish to thank the Minister of Transport for authorizing the completion of the Charlevoix airport. I was informed recently that the Minister of Transport was supposed to call for tenders, in a few days, for the completion of that airport. This building will promote the tourist industry in my riding, and the development of all kinds of other projects. Therefore, on behalf of my constituents, I warmly thank the Minister of Transport for carrying out, in my riding, a project that will prove extremely useful in meeting the economic needs of my area.

79951-0—284

(Text):

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

(Translation):

Mr. Pigeon: Mr. Chairman, when the government considers building another bridge east of the Jacques Cartier bridge which, as everyone knows, has aroused a scandal, it should consider the possibility of building that bridge in the vicinity of St. Sulpice, in the constituency of L'Assomption.

My proposal is based on the following considerations: first, the towns of Repentigny and St. Sulpice constitute a most important housing development in the greater Montreal area; second, a bridge there would serve the highway that will soon link some of the most important centres of the province of Quebec; third, on account of Bouchard island, the cost of the bridge would be less, and would not interfere with the St. Lawrence seaway. Fourth, such a bridge would also have the advantage of linking up Montreal with the whole south shore area, which is developing into a Canadian Ruhr, over the whole section between Longueuil and Sorel. Fifth, such an outlet to the chief communities on the south shore would be a great boost to the economic development of such areas as Joliette, L'Assomption and Montcalm, as well as the Berthier-Maskinonge area. Sixth, a bridge thus located would be a necessary counterpart to the Gardeur de Repentigny bridge, and would be a new road to progress, apart from the fact that a bridge in that area would, from a civil defence point of view, serve as a vital outlet for population centres, servicing at one and the same time four important areas, namely those of Montreal, Joliette, Sorel and Berthier-Maskinonge-Delanaudiere.

So I ask the government that if and when it considers plans for the erection of a bridge in that area, the bridge be named "Marquis de Montcalm", in memory of this national hero, or else "François Labelle", one of the illustrious founders of the L'Assomption College where Sir Wilfrid Laurier was educated.

(Text):

Item agreed to.

CANAL SERVICES

406. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority with the approval of the governor in council, and to authorize, notwithstanding the Financial Administration Act or any other act, the disbursement by the authority of revenues derived from the operation and management of such canals and works, $1,716,969.

Mr. Chevrier: Mr. Chairman, could the minister give some indication as to what canals have been taken over by the St. Lawrence seaway authority and what canals now remain under the jurisdiction of the Department of Transport proper?

Mr. Hees: Mr. Chairman, I shall be very glad to give the hon. member that information in just a minute. The detailed information is in the hands of my officials who are on their way to the chamber.

Mr. Chevrier: While the minister is waiting may I ask if the Cornwall canal as it now exists is under the jurisdiction of the department or of the St. Lawrence seaway authority? Dependent upon which authority it is under, I should like to draw the minister's attention to a matter that was pointed out to me when I was there the day before yesterday. Due to a lack of velocity of the waters in the canal the waters are becoming polluted. This is certainly contrary to what has taken place in the past. In fact, swimming has been impossible at the Mack's bridge area where it had taken place for many years. I have seen pictures in the local press which indicate that the water is so slow running and stagnant that it has become a danger to health.

There should be some reason for this because if the required amount of water from the St. Lawrence seaway which is at a higher level is dropped into that canal the velocity will be increased and there should not be the slightest reason for stagnation and pollution which might be a danger to health.

I wonder if the minister would bring this matter to the attention of the director of canal services or of the St. Lawrence seaway authority, whichever official's job it is, so that this matter could be rectified?

Mr. Hees: Yes, Mr. Chairman, I shall be very glad to bring that to the attention of the responsible officials.

In answer to the hon. member's previous question, the following canals were formerly under the jurisdiction of the Department of Transport and are now under the jurisdiction of the St. Lawrence seaway authority: the Sault Ste. Marie canal, the Welland canal, the Cornwall canal and the Lachine canal.

Item agreed to.

[Mr. Pigeon.]

MARINE SERVICES

407. Marine services administration including agencies, $904,250.

Mr. Fisher: I wonder if this is the item under which I could ask the minister for details about marine services planned for the upper great lakes in the future so we may have some idea as to the projection of the role of the department in so far as tug service is concerned and the relationship of tug service to icebreaking service.

Mr. Hees: Mr. Chairman, we operate the icebreaker at the head of the lakes as the hon. member knows, but we do not normally charter tugs.

Mr. Fisher: What I want to know is if there is an important port handling millions of tons of tonnage and there are no tugs provided by private enterprise in the area—and that is the situation that actually exists today—what leadership is the department going to take in attempting to see that there are services established there? The minister will agree that there are a number of users of tug services there, but if there is not enough consistent work there for a private enterprise institution, where does the government come into it?

Mr. Hees: Mr. Chairman, at none of the harbours under the jurisdiction of my department do we provide tug service. As I have said, we provide icebreaker services in the area, but it is up to the shipping companies to provide tug service.

Mr. Fisher: I do not think the minister will deny that in the national harbours there is tug service of a kind provided by the port authorities. Is that not true?

Mr. Hees: The commercial work in the national harbours is all done by commercial tugs, which operate for the shipping interests concerned.

Mr. Fisher: Let me put it this way. Will the minister have his transport officials survey the situation at the lakehead and determine whether he could lure some commercial services into supplying tug service, especially in the spring and fall. The minister knows the conundrum and the argument that the *Alexander Henry,* the new icebreaker, could not go into the slips. Because of her size she could cause damage to wharves and cribbing, and that kind of thing. What is the alternative? In the past it seems to have been a commercial company. If no commercial tugs are available, what are we to do about getting those slips open sooner?

Mr. Hees: In the other harbours this is all done by commercial tugs, as I have said.

With regard to the hon. member's suggestion that a conference be held with the people of the lakehead and ourselves to discuss this matter my officials tell me that they have indicated to the hon. member that we are willing to talk to him or them at any time and will welcome such talks.

Mr. Fisher: One other question: Are any of the harbour commissions which have been set up developing another kind of harbour authority separate from the national harbours board? Are any of them getting into this business of providing tug services?

Mr. Hees: I will check on that, Mr. Chairman, but not to my knowledge or the knowledge of my deputy minister.

Mr. Fisher: I wish to ask a question as to the scope of the *Alexander Henry*. It has been provided, as the minister says, for icebreaker services in the upper lakes. This does not give a great deal of flexibility in spite of the magnificent capacity of this tug to provide service all the way down to Parry Sound, Collingwood, and the area up to the lakehead, a very crucial part of the area. I wonder whether any plans are under way to give it more flexibility?

Mr. Hees: Yes, Mr. Chairman. We are studying this matter very closely. It may easily appear after those studies are over that we do need another ship, but this matter has not been decided up to the present time. It is being closely studied at the moment.

Mr. Fisher: Mr. Chairman, is this the item on which I can properly ask the minister questions on how his pilotage plans on the great lakes are developing?

Mr. Hees: Yes, Mr. Chairman, any time at all.

Mr. Fisher: I would be interested in hearing from the minister a statement as to how this scheme is working out and whether there is any possibility of the government getting out of this in the future and allowing those pilots to go back on a private enterprise basis? I am not asking for it; I am wondering what the government's plans are? As I understand the probable future development in relation to the United States, this whole question of pilotage in the great lakes in so far as the United States government is concerned is that they intend to keep their pilotage on a private enterprise basis. I should like an explanation on how the two are going to dovetail when on the one hand you have a government service and on the other hand a private enterprise service?

Mr. Chevrier: Does the minister wish to answer the question?

Mr. Hees: Yes.

Mr. Chevrier: I should like to say something on this but I understood this was not the item. There is an item dealing with pilotage. However, if the minister wishes to discuss it on this item I am quite prepared to carry on.

Mr. Fisher: I took it as the general item.

Mr. Chevrier: If there is no objection, I should like to say a word about the question of pilotage. I certainly was not under the impression that one was operated under government authority and the other under private enterprise authority. I was under the impression that the pilots in the various districts in Canada, while they were under the jurisdiction of the minister as the pilotage authority of Canada, none the less received their salaries under the terms of a collective agreement which was made through the shipping federation and, of course, always approved by the pilotage authority. I do not know what the position is in the United States but I am sure the minister has given consideration to the present position of the various districts in Canada. What leads me to say a word about it is that when the pilotage bill was introduced in the house last year or two years ago there was some indication in the bill that one of the districts, if not two, namely the Montreal and Quebec pilotage districts, were to be abolished. I was glad when the minister did not pursue that bill further and I hope that if a bill is introduced dealing with pilotage during this or the next session there will be no question of the Quebec and Montreal pilotage pilots disappearing, but that they will remain under the present jurisdiction.

This prompts me to ask the minister a question which I think is important. What progress has been made in the negotiations with the United States concerning pilotage on the upper St. Lawrence and great lakes? The last we heard of it was a statement made by the minister in the house in answer to questions that were asked on the orders of the day from time to time. I know that a bill was introduced in the Senate of the United States but I am not aware of its present position. However, I do not think it has gone through both houses of the United States congress. Has an agreement been negotiated with the United States? If not, is it near completion? Has it reached the point where a bill might be introduced at this session of parliament? These are matters on which the committee would wish the minister to enlighten it at this time.

Mr. Hees: Yes, Mr. Chairman. There is no written agreement with the United States on this matter, simply an understanding between

the two countries. They have just passed through both houses of congress a bill which is very similar to ours, and similar in intent. I have a bill which I mentioned earlier this session, which I have been waiting to present to the house when I was sure that the United States legislation would go through. As a matter of fact, the bill was delivered in my hands this morning. I will be presenting it to cabinet for ratification in the next day or so. Then it will be introduced in the house. The legislation in Canada and in the United States will be very similar, indeed.

Regarding the status of pilots throughout our system, the status of pilots, other than those of the great lakes, is as described by the hon. member for Laurier. They are in various pilotage districts which he mentioned. In the great lakes they are employees of the Department of Transport by their own choice. We understand that they are very satisfied with this arrangement, and we are satisfied with it. At any time any other pilotage district wishes to enter into the same kind of arrangement we have let them know we will be very happy to have them. At the same time, we are also very pleased to have them carry on in the way they are now.

I might also add, Mr. Chairman, that this whole matter has been discussed very thoroughly with the United States. They see no problem at all arising because they have a slightly different system of pilotage than we have. They feel, and we feel, that the pilotage arrangements between the two countries will work out satisfactorily. This thing has been very thoroughly discussed between us.

Mr. Chevrier: I suppose until we see the bill it is not possible for us on this side, at least, to come to a conclusion in this respect. This prompts me to ask another question. In the bill which the minister intends to submit to his colleagues is there any reference to the abolishment of the pilotage districts of Montreal and Quebec?

Mr. Hees: No, emphatically no. This bill will deal only with the pilotage on the great lakes, and nothing else from last year's bill will appear in this bill.

Mr. Fisher: May I ask one question here? Does the minister mean there will be nothing in the bill giving Canada authority to license foreign ships when they reach Montreal, that is license foreign ship masters to pilot on the great lakes after a certain amount of service?

Mr. Hees: The applicability of the bill is only to great lakes waters.

Mr. Fisher: That still does not clear it up; foreign ships are coming into the great lakes waters and is Canada going to have the right to give the masters 'B' licences or certain licences that will enable them to operate without pilotage?

Mr. Hees: I think the hon. member will realize that he is getting a little ahead of himself because this bill still has to be passed by cabinet, and it still has to be introduced into this house.

Mr. Fisher: My reason for asking the question is very clear. As the minister knows, there have been complaints from the United States pilots, who are highly organized into a union-type system. I have no particular brief for the United States pilots or the union-type system, but it seems to me they have a potential as troublemakers, let us put it, by causing dissention in all the arrangements. I gather from their complaints that they are very strongly against this particular provision. I should like to know whether there is anything in the United States legislation that is considered as protecting United States interests, as the United States unions consider it in this particular regard.

Mr. Hees: As I said a little earlier, the United States legislation provides for basically the same kind of system that we will have and which will be provided under this bill.

Mr. Fisher: I should like to turn to another part of the marine service. I do not believe we have had a really fair outline from the minister—that is not necessarily his fault—as to just what his department is planning to do in connection with small boat matters in Canada. I know we have had the suggestion that there is some kind of conference, and that eventually the informal licensing arrangements that are now in existence will become formalized. Until we observe a pattern for the future in connection with this very important matter, and because of the tremendous growth in the use of small boats on Canadian waters, I should like to know also what estimate the department has of the cost in the future of administering this aspect of the work.

It seems to me that the development of small boats has become more than a hobby; it has become a summer way of life. There is going to be, I would imagine, a demand upon the treasury of this government and the provincial governments in terms of licences, facilities, policing and so on. I should like to know where we are going on this particular item. It seems to me we deserve a statement at this time.

Mr. Hees: Mr. Chairman, we believe that we are giving leadership to small boat owners all across the country in connection with

small boat safety. As the hon. member knows very well, because of the very nature of the ownership of small boats and the tremendous number of waters on which they operate, it would be difficult, if not impossible, to impose rigid regulations and police them. We have to rely, therefore, on the good sense of the small boat operators themselves to operate their boats in compliance with safety regulations which are decided to be in the best interests of the general public and the small boat operators.

Once a year there is a large conference held at which there are representatives of the provincial governments, the Royal Canadian Mounted Police and all interested parties, to discuss safety measures and possible ways of bringing more and more people to realize the need for the safe handling of small boats. We believe that this is having a good effect. More and more people are becoming interested. We feel that the safety suggestions we are making are being adhered to more and more year by year.

Mr. Fisher: Is it not possible for the department to make some kind of analysis of the waters where the intensity of use at the present time is such that some stiffer regulations could be applied, and some policing could be applied. I think any one of us who goes to an area such as Muskoka or anywhere on the great lakes system sees flagrant examples of dangerous conduct and very bad equipment. We have tragedies happening all the time on the water. I am just wondering if there could not be some kind of limit set where stricter licensing and policing could be put into effect. I am wondering if that is a necessary step that the department might take.

Mr. Hees: The enforcement of the regulations in connection with small boats has to be carried out, of necessity, by the provincial police and the Royal Canadian Mounted Police. We have a small permanent committee of departmental officials who do nothing but work on small boat safety measures year in and year out. They are in constant communication and co-operation with the provincial police of the various provinces and with the Royal Canadian Mounted Police, to assist them and to set standards of small boat safety as well as to enforce those standards where that is possible. I really do not know what more we can do than we are doing. At the present time, as I say, we are working very closely with the people and with the police officers who are enforcing these regulations. We try to give them all the help we can. We try to educate small boat owners in the very best way we can.

We have a very good pamphlet called "Safety Afloat" which is sent out by the thousands and to which a great deal of attention is paid. I want to assure the hon. member and every member of the committee that this is a matter that has our constant attention. It is a most important one, and we welcome suggestions that can be made by interested groups or individuals as to what can be done to improve small boat safety.

Mr. Fisher: What I was trying to suggest was that the time had arrived when more concrete steps should be taken. I think we all remember the recent tragedy of the mounted police boat on Lake Simcoe. Almost every day during the summer we have these tragedies. One notices the editorial comment and the general view is that some adequate protective measures need to be taken to protect people from themselves. I do not refer only to the standard life jackets, the standardization of boats and various safety provisions along the water thoroughfares, but to some effective way, a common way right across Canada, of getting a code for prosecution.

What I am trying to put before the minister is: has the government considered the real problem of the tremendous cost of doing a good job in this connection and the increasing demand that the job be done? I wanted to know where the department stood in connection with spending, to this particular marine service, perhaps an increasing amount of up to $10 million or $15 million in order to police the boats on the waterways and to enforce regulations and licensing requirements. I am afraid, however, that the demand for that kind of service is growing.

Mr. Hees: As I have tried to indicate, in very heavily populated areas where there is a great concentration of boating the policing is far more intense because there are more R.C.M.P. and provincial police in those areas. However, as the hon. member knows, a great deal of boating is done in lakes and rivers which are in relatively uninhabited or sparsely inhabited parts of the country where the fishing, hunting and pastimes of that sort are of the very best. To think that you could have a police force that is going to be policing every lake and river, particularly in these far out districts, is almost fantastic. However, I want to assure the hon. member that we receive the utmost of co-operation from all of the small boat manufacturers.

A step that has been accomplished in the last few months is that they now put on every boat a metal plate which specifies the maximum power that should be applied to that particular hull and the maximum load

that boat should carry. As I think the hon. member will realize, if that practice had been adhered to in the sad case to which he has just referred I think that accident would not have happened. We are learning as we go along. As a result of these conferences we are being able to move forward, I think steadily, in this regard.

Another thing we do is to encourage the inspection at all times of the life-saving equipment which boats carry. As a matter of fact, a friend of mine protested most vigorously to me last year because the R.C.M.P. had caused him some trouble by telling him that the life-saving equipment he had was not satisfactory and by confiscating it because they felt it was dangerous for him to have it in his boat. However, things of that kind are going on all the time.

I hope I have answered the hon. member's question. We are doing more and more in this regard. It is a very big field. Because of the fact that the people who use small boats are running on literally many thousands of bodies of waters all across the country, the actual policing is a difficult thing; but the provincial police and the R.C.M.P. co-operate to the very utmost of of their ability.

Mr. Fisher: May I ask the minister whether he could just indicate where in the estimates we can get some kind of estimate of the people who are working in this particular field across the country so that we can get some idea of the scope of the present service and the amount of money that is spent on it?

Mr. Hees: Our service is supervisory and it is here in Ottawa. As I say, there is a small committee that is working all the time to provide information for those who need and can best use that information. The people who do the policing are the provincial police and the R.C.M.P. Our department does not have a police force to enforce these regulations. We are available at all times to give advice. We send out this pamphlet "Safety Afloat". We conduct meetings once a year of all interested parties. We are prepared to give advice, assistance and help at any time; but we cannot operate a force across this country in order to try to give instruction in and enforce the regulations. As I say, we work with the R.C.M.P. and with the provincial police. They are extremely co-operative. We give them all the advice and help that we can give them. We do the same thing for the boat manufacturers who are extremely co-operative. We work closely with boat users and anybody who is interested. However, we have not employees all across the country engaged in enforcing the small boat regulations.

[Mr. Hees.]

Mr. Fisher: Can the minister give an estimate of the number of people involved in this work and what the fixed cost would be for a year?

Mr. Hees: Outside of the publication of the pamphlet I am advised that the fixed costs would be somewhere between $30,000 and $40,000; but a lot of work that is carried on in this regard is done by a great many people on a voluntary basis, as in so many other volunteer organizations across the country who are interested in safety work and so on.

Mr. Fisher: I should like to ask a few more questions on this matter. As to this attempt at voluntary licensing that has been established, may I ask where the records are kept? I am referring to voluntary licensing. I understand there has been voluntary licensing of small craft. I should like to know where the records are kept and who is going to be responsible for these records as they increase and to keep them up to date.

Mr. Hees: The registration is compulsory for boats only. The registration is kept by the Department of National Revenue because the customs officers do the registering of these boats.

Mr. Robinson: I was wondering whether the minister could tell us if there has been any consultation with the United States in connection with life-saving on the great lakes. I recollect that two or three years ago a resolution concerning a coastguard service on the great lakes was debated. I also understand that it is a live subject in the minds of many people who have been close to catastrophe over the last two or three years. I am wondering whether there is any co-ordinated arrangement between the provinces and the federal government with regard to, for example, air search. Are local fishermen alerted to be on hand if something like this happens? What I have in mind is this. Last summer a boat was out on Georgian bay for between 30 hours and 40 hours and it was not found. By good luck the wind turned and blew it in to shore. I am just wondering whether any work is being done in the department or whether any move is being made in the department to co-ordinate something along the life-saving line.

Mr. Hees: We studied this matter very intensely and we came to the conclusion that what are needed mainly are co-ordinators who will first of all direct the boats in any particular area that could be used for going to the rescue of a ship or boat in distress. We have appointed a co-ordinator for the east coast and for the west coast. I am advised that the board is sitting today to choose a

co-ordinator for the great lakes. His job will be to assist and to work with the shipping or boating interests in the great lakes so that a method can be worked out whereby, when a disaster occurs, the available craft in that area would go to the assistance of the ship or boat in distress.

Mr. Peters: I know that everybody connected with the small boat industry has been greatly interested in the matter of life jackets and safety equipment that has been worn for a number of years or has been obtained in the last year or so but is of no value and/or sometimes even dangerous. I understood that the department was doing some work on examining all types of life-saving equipment or life-preserving equipment and that it was expected that before too long there would be range of equipment put out as to which the department themselves would assume responsibility as having approved it. I am wondering whether that work has been finalized.

Mr. Hees: Yes; that has been done. The department approves certain types of life-saving equipment. The Department of Transport's stamp is put on such equipment so that it can readily be seen by police who might inspect life-saving equipment in a craft. The law requires that life-saving equipment in a craft have the stamp of the Department of Transport on it or it is not considered satisfactory and cannot be passed as satisfactory equipment for life-saving.

Mr. Peters: Might I ask if the manufacturer puts this on after approval has been given or do inspectors go round authorizing its use? If so, is it done with numbers so that one manufacturer uses one number so you can check back and see when equipment coming on the market does not meet the specifications and see who is responsible for its manufacture?

Mr. Hees: Our steamship inspection staff do the actual stamping and approving of the equipment after it has been actually tested.

Mr. Peters: I am not sure whether this matter comes under the marine section but I am sure the minister will have no objections if I raise it. We have a number of problems connected with the upkeep of navigation on lake Timiskaming for boating purposes. One of the major problems in relation to the small boats is the number of logs and other material floating around. Provincially, in some lakes like lake Timagami, they have reached an agreement of some description where the sweeping has to be done before June 13. After that the party leaving logs in the water in that area is responsible for any damage done. Previous to June 15 the companies are assumed to have jurisdiction over the waterway and if you drive a boat in the lake that is your responsibility. But after June 15 I think the companies are responsible, and if you sink your boat or get a hole in it, as I say they are responsible.

In lake Timiskaming we have a different problem which has been with us for 75 years I suppose, because the Upper Ottawa Improvement Company which was set up under federal charter many years ago assumed the responsibility for all the driving and handling of logs on the tributaries of the Ottawa and on lake Timiskaming. They have had many problems which are really not of their own making. The effect of the floods was bad this year and has created a problem not quite in keeping with a normal year. They are a small company now but there are still a great number of logs coming into lake Timiskaming continually throughout the year. I understand from talking to people in the Ottawa section that over the whole length of the Ottawa river there is the same problem.

When we have objected to the Department of Transport and asked that these lakes be cleaned up, they say they are not responsible for this. When you talk to the Upper Ottawa Improvement Company they say that they are doing it as fast as they can but that they have limited resources. As far as I know they have accepted no responsibility to a third party.

In lake Timiskaming, particularly in the Haileybury and New Liskeard areas, although they are on a bay of the lake, there are hundreds of small craft. At the present time the lake is literally dotted with deadheads and stuff as high as a quarter of a mile up the shore because of the flood this year. This has all drifted out into the lake and is a terrific hazard to navigation. In fact it makes it almost impassable.

I think something can be done about this. The department itself could take some action with regard to this stuff coming in. As far as Wabi bay is concerned, which is the main boating section at New Liskeard and Haileybury, I think that while it is an expensive proposition control booms across the bay would be a lot less expensive than the damage caused at the moment. This is something that I think could be enforced and I think the department should exercise more control over this problem than they do at present. It is a real hazard and the problem will become so bad that as far as I can see thousands of pulp logs and pieces of saw timber will be cruising around on the lake all summer. The company now sweeping it

has only several small steamers and a limited number of people to work on them.

I think regulations should be enforced prohibiting a company from allowing these logs to go out. In normal circumstances a company will double move and put in a control boom half a mile down the river. It may have three or four controls on it. But none of these companies exercise that type of control and have no objection at all if the logs go down to the lake.

I sympathize with the Upper Ottawa Improvement Company this year because flood conditions have been unusual and have created a problem which is not normal; but in normal years it is very seldom that these logs are cleaned up until late September when the boating season is over.

I would like to know if the minister has any suggestion to make to help solve the problem. It may be that as far as the department is concerned their interest is in giving lakes like lake Timiskaming and those on the Ottawa river back to the provincial government, although if they are interprovincial difficulty arises as to the border line between two provinces. In Ontario where the provincial government looks after the lakes they are much better looked after than where the federal government is in authority, because in my experience it continually keeps passing the buck to other people involved.

Mr. Hees: The situation which the hon. member has just described is a very real and worrying one. Unfortunately logging comes under provincial jurisdiction. As there is quite naturally a conflict of jurisdiction in this matter it complicates the enforcement of regulations prohibiting the kind of behaviour which the hon. member has suggested. What we try to do is to work with the logging companies and to point out to them the dangers which their logs are causing and I think we have been reasonably successful in most cases. We have found, however, that really the most effective deterrent to allowing their logs to get out of control and become troublesome to small boats is the pressure which can be brought to bear by the local residents on the logging company itself.

However, it is a real problem and one about which we try to do everything we can to bring about satisfactory results. As I say the main difficulty is that the jurisdiction is a divided one and it complicates the question to a great extent.

Mr. Peters: In this case it is not a divided jurisdiction because the Upper Ottawa Improvement Company is a federal company which was set up with full jurisdiction over the upper Ottawa river, lake Timiskaming, the Ottawa river and so on. No company, as I understand from reading the act which set up the Upper Ottawa Improvement Company, has any right to drive logs on lake Timiskaming, up on the Ottawa river or in any area around there. They have to pay the Upper Ottawa Improvement Company so much money for using their lakes.

As far as the provincial question is concerned, the logs which bother us in lake Timiskaming on the Ontario side do not come from Ontario at all; they are Quebec logs which come down the riviere des Quinze and other rivers in that area. But no logs are driven on the Ottawa river; for years no logs have been driven down there.

This is the situation which I think the government could do something about, because they are under charter through the federal government here. It is a very simple act. The act, which was written back in Queen Victoria's time, said that if they do not operate in the interests of the community and the people, the act will be forfeited. Certainly over the years they have not acted too much in the interests of the people. The minister says what is needed is some reaction from the communities concerned. I can assure him that this reaction comes to me, unfortunately, first of all. Then if I do not get anything done about it they go to the minister and others. But I usually hear about it as early as anybody.

The people sympathize with them in the problem they have in a year like this, but it was just as bad last year and the year before. It was even as bad when there was very little water in the lake. I should like to know what can be done to solve it on a permanent basis. It has been suggested that the communities in my area should get together, that a dozen men in motorboats should sweep the logs on their own and charge the companies for booming. If something does not happen, somebody is going to burn these logs which are piled up all along the shore. I happen to have a property there and one of my neighbours has 30 cords of wood piled up ready to burn. I do not think that is the right way of handling the problem.

Mr. Hees: I shall be glad to look into the situation to which the hon. member has drawn my attention.

Mr. Fisher: I wanted to turn to something which has to do with pilotage and I now have the papers involved. The minister will remember that earlier this session I asked a question in relation to the shipping federation of Canada. The question was No. 73 and it read:

Has the department ever given the shipping federation any authority or aproval for it to present

the views of the government of Canada on pilotage to any United States congressional committee?

I should like to read from a committee report. It is the report of a hearing before the subcommittee on coastguard, coast and geodetic survey and navigation of the committee on merchant marine and fisheries of the house of representatives, eighty sixth congress, first session, on Bill H.R. 57 to require pilots on certain vessels navigating United States waters of the great lakes, and for other purposes. During the cross-examination of Mr. Brisset, who was a spokesman for the shipping federation of Canada, Mr. Dorn, a member of the committee said:

Does the speaker speak for the Canadian government?

To which the reply was:

I think I will say "Yes".

The report continues:

Mr. Dorn: In other words, the Canadian government is threatening the United States to close off those waters unless the United States refuses to pass this bill? I cannot believe that, sir.

Mr. Brisset: Perhaps I have gone too far.

Mr. Dorn: I think perhaps you have, sir.

Mr. Brisset: I will not say that I am speaking for the Canadian government here. I am trying to explain—

Mr. Dorn: But you are implying that you do speak for the Canadian government, however.

Mr. Hees: I think I can explain that without there being any need for the hon. member to read further. This case is, of course, very well known to me. The shipping federation had no authority whatever to speak for the Canadian government. They did so on their own, and as soon as we found out what the federation had said and done we reprimanded them severely for so doing. We also informed the United States government that they were not speaking for the Canadian government.

Mr. Chevrier: How did you reprimand them, by slapping their backs?

Mr. Hees: As I remember it, we spoke to them rather sharply.

Mr. Fisher: The minister, in his reply to my question, said the matter was taken up on May 29, 1959 at a meeting of officials with the pilotage committee of the shipping federation.

This raises a matter which is bothering me as one who is, in a sense, an involuntary spokesman for some of the pilots. Since many of the pilots have now become civil servants it has been suggested that the shipping federation has become a spokesman for some of the policies followed by the government. There have been complaints that the shipping federation has had the ear of the Department of Transport right down the line. Whatever the Department of Transport does usually follows the policies of the shipping federation of Canada. This being the argument, I want to ask the minister if he has received from the St. Lawrence river pilots a review of the situation by the shipping federation of Canada and, if he has, I should like to know if he is in agreement with the following suggestion made by the federation on page 8 of the pamphlet. These read as follows:

It is the opinion and recommendation of the Shipping Federation of Canada, Inc., that a system of dealing with the pilotage situation should be evolved which would:

1) Pay the pilots fairly and adequately in relation to their competence and the service performed.

2) Remove, permanently, as a subject of discussion with pilots, the tariffs which are to be applied to the shipping industry. It is the opinion of the federation that this can and should be done by establishing a non-political commission to administer pilotage and to determine—after discussion with pilots and shipping interests—fair levels of remuneration for them. Matters of tariffs, service charges and other assessments against the industry would be worked out between the commission and representatives of the shipping industry.

The present monopolistic position of the pilots is capable of creating serious discrepancies between services performed and the cost of the service. Instability of pilotage service can affect not only the shipping industry but the entire Canadian economy adversely. The present system is conducive to instability, and is deteriorating rapidly. The Shipping Federation of Canada Inc. regards it as most urgent to establish immediately a system of pilotage which will ensure—

Eight points are then listed, and I do not wish to take up time by reading them all. What I should like to ask is this: are these, now, the objectives of his department and, if not, what are his department's views?

Mr. Hees: To go back to the first question which was asked. The hon. member says that the shipping federation has the ear of the department. I can assure him that the shipping federation quite often says to us that the pilots have the ear of the government. We get it from both sides. We have meetings with both parties quite often and we listen with great interest to what each side has to say. Then we try to work out the best possible policy from the point of view of the pilots and the shippers.

With regard to the pamphlet which the hon. member has mentioned, I am aware of the pamphlet but I do not want to comment on the question which was raised. I may say that no federation makes government policy.

Mr. Fisher: Could the minister tell me whether the dominion marine association or the lake carriers association have recently presented their views on the pilotage situation to the minister and, if so, what are those views?

Mr. Hees: It depends on what the hon. member means by "recently". They meet with us two or three times a year. We would have

to know the subject to which the hon. member is referring, or the time. Whenever we get together, pilotage is always one of the subjects that come up for discussion.

Mr. Fisher: What I meant by "recently" is that there have been indications from the annual meetings—they usually have a joint meeting with the lake carriers—that their objections were much more in line with those of the United States pilots' union than with the views of the shipping federation of Canada. Anyway, there is a conflict of views here, and I should like to know something about how this is to be resolved, and what is the attitude of the department.

Mr. Hees: I should like to assure the hon. member that the government is not dictated to in these matters by the shipping federation or the dominion marine association or by the pilots group. We meet with them all. We listen to them all and we try to adopt the best policy we can. Nobody is telling us what to do in their own particular interest.

Mr. Fisher: I should like to read an extract which appeared at page 43 of the October 1, 1959 issue of *Fairplay* magazine:

> In a recent article which appeared in an American magazine, Mr. Carl E. McDowell, executive vice president of the American institute of marine underwriters, referred to some of the problems which were confronting underwriters with regard to the opening of the St. Lawrence seaway. He said that the records of the American institute of marine underwriters had reported 62 casualties or accidents to vessels in the St. Lawrence river, the seaway, and the lakes since the seaway opened (to June 19) compared with 39 in the same period in 1958. (This is exclusive of fishing vessels and barges, and ice damage.) Many of these accidents, however, were of a kind which marine underwriters have come to associate with this new approach which makes an "eighth sea" of the great lakes. Many of the vessels now entering the lakes have never done so before. Their masters and crews, no matter how able and experienced in ocean navigation have little or no experience with the especially difficult narrow and restricted passages which constitute much of the seaway. "Rules of the road" for navigation in the seaway and great lakes differ in many respects from those used on the high seas. Mr. McDowell said marine underwriters were hopeful that legislation would be passed by both Canada and the United States which would require experienced great lakes pilots to be aboard all vessels using the seaway and the lakes. They supported a bill sponsored by the United States coast guard which would have accomplished a good part of this aim. Unfortunately, however, this legislation was not passed during the last session of congress and is still pending.

The viewpoint expressed therein is that there has been an increasing number of accidents on the lakes as a result of foreign shipping coming in and that they stem from the unfamiliarity of the foreign masters with the rules of the road and all the difficulties of narrow and restricted passages. Would the minister inform us what the record indicates in the first year of the seaway operations and this year as far as the accident pattern is concerned and if there has been the marked shift that this article alleges has occurred?

Mr. Hees: I do not have that specific information available at the moment but I shall be glad to secure it for the hon. member and give it to him.

Mr. Fisher: The minister will admit that this type of allegation lends some support to the stand of the admiral of the United States coastguard and of those people who argue that foreign shipping should have Canadian or United States pilots on board. I would appreciate the minister giving us a summary of the experience in this regard. Is there an increased danger of accidents as a result of foreign ships being within the great lakes waterways? If so, what is the incidence of accidents and what steps could be taken to solve the problem if it exists?

Mr. Chevrier: Mr. Chairman, may I be allowed to follow up what the hon. member for Port Arthur has said. I think there is no doubt but that because of the additional number of ships and particularly foreign vessels that have come into the waterway there has been an increased number of accidents but that was to be expected. I am sure that when you have mariners who are not familiar with the canals and who have never operated an ocean-going ship in inland waters, particularly having regard to the winds and other elements, on the canals and the great lakes, there would be an increased number of accidents. I feel sure, however, that with the experience of 1959 behind us there will be in 1960 fewer accidents than in the previous year because the masters and mates will be more familar with the route and also because of the precautions that I am sure will be taken by both entities, the St. Lawrence seaway authority and the St. Lawrence seaway development corporation.

I had the opportunity of speaking with one of the members of the St. Lawrence seaway corporation at Massena not long ago. He gave it as his opinion that while it was true there had been a number of accidents caused by inexperience and curiosity seekers from overseas on the great lakes he was sure that in 1960 these accidents would be substantially reduced.

Mr. Hees: I think the hon. member for Laurier has put the case very well. As I say, I shall be glad to get these figures for the hon. member for Port Arthur. I will certainly have them by the time the bill dealing with pilotage comes before us and perhaps even

before that. As soon as I have them I will let the hon. member for Port Arthur have them.

Mr. Peters: What is the liability of foreign ships that use and damage the canal system without pilotage, particularly if damage is caused to property owned by the authority as a result of the inability of the ship's officers to understand the rules?

Mr. Hees: It depends on the nature of the accident. If it is a slight accident and one which it is considered has come about through no fault of the master there probably would be no recourse taken but if it is a serious accident of any kind with a considerable amount of damage these cases may all be taken up in the courts between the government and the shipping company concerned.

Mr. Peters: Let me give an example. At Cornwall last year a boat took out one gate. I was there shortly afterwards and was told it happened regularly. The masters on the ships did not understand the signals used and were not used to judging distances in cramped quarters.

Mr. Hees: It would all depend on our assessment of the case as to whether or not we considered the master of the ship had been negligent. If we considered the accident had occurred through no fault of the master because of conditions beyond his control or some mistake on our part or on the part of the canal authority in not signalling him properly we would not proceed against the company. If we considered that the damage was caused by negligence on the part of the ship, however, then we would certainly prosecute.

Mr. Peters: What would happen if one of our licensed pilots had been hired to pilot the ship? Where does the difference lie?

Mr. Hees: It would not make any difference at all, Mr. Chairman.

Mr. Peters: If one of our pilots was hired to bring the ship in and an accident occurred due to negligence would the company be prosecuted for the negligence of our pilot?

Mr. Hees: The master is always in charge of the ship. The pilot is only an adviser.

Mr. Fisher: Hon. members will remember the *Baffin* incident and the crash at Black Rock when there was some question as to whether the master was in charge of the vessel.

Has the Canadian merchant seamen's service guild made protests to the department as a consequence of the aide memoire tabled in this house and appearing in *Hansard* of February 23, 1960? I ask that question because I received a number of letters from members of the guild advising me that they were taking up this matter with the government very strongly. Their argument is that the Canadian government should not issue pilot licenses class B to masters and officers of foreign ships giving them the right to pilot their own ships through the great lakes open waters with certain conditions of examination. This is one of the pressure groups the minister referred to and I want to know the scope of the pressure and what reply was sent.

Mr. Hees: I have not that information. I will certainly look it up and see if we did, and if we did I will advise the hon. member.

Mr. Fisher: I have a few more questions. I should like the minister to explain what is the future of the pilotage situation at Kingston? At the present time there are four employees at Kingston, and they are employed as dispatchers under the Civil Service Act. I want to know whether this is going to continue and whether they are still going to have pilots dispatched out of Kingston, or is the whole service there likely to die as the port of Kingston does less and less business?

Mr. Hees: No, Mr. Chairman. We provide dispatchers who are civil servants in all the pilotage districts and there is nothing peculiar about Kingston; it is no different from any other district. We do not have any plans to make any change.

Mr. Fisher: I know from discussions that there are people in Kingston who are worried about the future of Kingston as a port and whether there will be any pilotage offered there in the future because of the nature of the traffic which is by-passing Kingston. I wanted some kind of assurance that this service was going to be kept on.

Mr. Hees: Yes, Mr. Chairman. The service will continue to be available at Kingston.

Mr. Fisher: I wanted to get more of an explanation from the minister than the one he gave in answer to some questions on the order paper. Part 5 of question 72 was as follows:

> What fees did the government collect from its pilotage service in the great lakes?

This was in 1959: and the answer was:

> $348,428, plus an indeterminable amount for travelling expenses of headquarters officers and administration costs absorbed in the headquarters vote.

Part 6 of the question was:

> What was the difference between the income and expense of this service?

The answer was:

$119,447.

In other words, ostensibly we have a profit of about $120,000 on the arrangement, but we have this indeterminable amount. Can the minister give us some kind of an estimate of this indeterminable amount? I know the minister is not sympathetic to extension of government service—heaven forbid. That is against his line but here he has extended the government service. I know he would want to make absolutely sure that the government is not going into the hole if it can redeem its charges for the service and show a profit. I should like to have a clearer picture of this indeterminable amount. I should like to be absolutely sure that the department plans to continue to make a profit in this particular service.

Mr. Hees: I am advised that it will be very difficult to segregate that particular item. The profit would be considerably greater than the administration expenses, but I am afraid I cannot break it down exactly.

Mr. Fisher: Does the minister think there is still a substantial margin of profit?

Mr. Hees: Yes, there is still a substantial profit but it has been partly taken up by salary increases for the pilots.

Mr. Fisher: That is the next question I wanted to ask. I have received complaints from several of the pilots that they were not fully paid last year on their contracts. Their contracts died when they got their new schedule. I wanted to know what substance there was in that, that they were hired for a certain period and were not paid for the full period last year?

Mr. Hees: I am advised that all of the pilots were fully paid from the day they came on but not necessarily from the beginning of the pilotage season; but they were all fully paid from the time they came on.

Item agreed to.

409. Construction or acquisition of vessels and equipment, $6,500,000.

Mr. Carter: Mr. Chairman, I should like to call the minister's attention to the need for faster and improved service on the C.N.R. line between St. John's and Argentia. Argentia is the western terminal for the C.N.R. coastal boats which run from that port to Port aux Basques. The distance is only 80 miles but the trip takes about six or seven hours. There are no eating facilities on the train; there are no means of getting a meal along the route, and when one gets to Argentia around two or three or four in the afternoon there are no facilities at Argentia except on board the boat. This situation could be improved first by putting on a rail liner for passengers only because the present passenger car is hitched on to a freight train. If this is not feasible, then I think it would be better if the C.N.R. were asked to employ a bus for passengers on this service. I would be grateful if the minister would bring this to the attention of the C.N.R. authorities.

Mr. Hees: I shall be glad to, Mr. Chairman.

Mr. Fisher: Can the minister indicate what the general position or policy is on the matter of allocating or letting contracts to the various shipyards in Canada? I know this will be a reiteration but I should like to have it on the record so that I can use it in my local situation.

There has been some rather sharp disappointment that no contracts have gone to our particular shipyards lately. I should like some indication as to why this has happened. I am sure there are reasons and I should like the minister's explanation.

Mr. Hees: We allocate only emergency repairs where we have no choice and have no time to call tenders. Regarding certain areas, if a ship is in a certain area and has to be repaired and there is time to call tenders, then we would call tenders within the particular area. All new ship construction is by tender, not allocation.

Mr. Fisher: Did the minister see a complaint from the head, I believe the retiring president, of the shipbuilders association, about the parlous condition in which shipyards are at the present time? I know we can talk about this matter when we are dealing with the estimates of the Canadian maritime commission. I gather from the remarks of this gentleman, as quoted in the newspapers, that there is some discouragement over the fact that there has been such a marked decrease this year in the estimate compared with last year. I should like the minister to explain this more fully than he did in his introductory statement, as to why there was this very sharp cut. Is it a fact that the department is pretty well up to its maximum in the kind of equipment it wants? Does it need very little more equipment?

Mr. Hees: The reason there is a decrease is that we have passed the peak of our ship construction program at the present time. I am told that other departments are building more than in past years, but so far as our department is concerned we built a number of ships in the last two or three years and you cannot keep on building at a peak of that kind forever.

Mr. Chevrier: May I ask a question in connection with the district of Montreal and Quebec. Is it the intention to add to the icebreaker fleet that is now in operation in Montreal? If I understand properly there are three icebreakers, the *McLean,* the *Lapointe* and I think the *d'Iberville,* which break the ice consistently from Three Rivers upriver to Montreal. Is it the intention to change the operation of those three ships?

The next question is, is it the intention to add to the icebreaker fleet in the district of Quebec so that there will be no doubt about winter navigation in so far as the port of Quebec is concerned?

Mr. Hees: First of all, we intend to maintain a fleet of three icebreakers in the district to which the hon. member has referred between Montreal and Quebec to do the icebreaking chore which has been done for many years.

With regard to his second question, I may say we have no new icebreakers in our program for this year.

Mr. Chevrier: Is it the intention of the department or of the government to encourage winter navigation up to the port of Quebec?

Mr. Hees: Perhaps this would answer the hon. member's question. The department has supported with icebreakers the important developments on the north shore of Quebec. This traffic, which has been in resources of the hinterland, would for the most part proceed directly overseas, and into the maritimes and benefit, and I believe has benefited substantially during the past winter the suppliers in this area. The department has also supported the coastal traffic from Quebec city to the same area and for the same reason. It is not the policy of the government to take action to assist one part of the country to the detriment of another. The policy of the department in this case avoids this, while at the same time supporting new developments on the north shore which are a straight addition to the strength of the economy.

Mr. Chevrier: I gather from this that it is the intention to support winter navigation to the north shore settlements, but a similar policy will not necessarily be followed in so far as the city of Quebec is concerned.

Mr. Hees: We believe that the requirements of the north shore are completely different from the requirements of the south shore. I have explained the particular situation on the north shore that requires winter navigation. It is the fact that there are no railways on the north shore to supply these particular ports such as Baie Comeau, Seven Islands and so on, during the winter. It is considered, therefore, most essential for the development of that particular part of the country that navigation be kept open during the winter. The same situation does not obtain on the south shore.

Mr. Chevrier: The minister is making a distinction between the north and south shores. I am talking about Quebec which is on the north bank of the St. Lawrence river. I wonder if the policy which the minister has advocated for the north shore of the province of Quebec and along the gulf of St. Lawrence also applies to the north shore of the St. Lawrence river up to the city of Quebec?

Mr. Hees: I do not think I can make it any more clear than I have. I have outlined our policy in regard to keeping navigation open during the winter to serve the ports on the north shore to which there is no railway service. I think the hon. member will realize, if he looks at the figures, that the port of Quebec did very well this winter. It showed quite a marked increase in shipments into and out of that port during the wintertime. I feel that the policy which the government adopted during this past year in this regard worked out satisfactorily for all concerned.

Mr. Chevrier: I thank the minister for that statement. I think the record will speak for itself. Can I pursue the matter upriver? Has the department been giving any consideration to a means, other than icebreaking equipment, to keep the channel open from Three Rivers to Montreal? At one time—I think I asked this question last year—some consideration was being given or at least some study was being given to the bubbler process. Have the departmental officials studied the bubbler process, and is it being given any consideration for the St. Lawrence river or any other part of Canada coming under the jurisdiction of the Department of Transport?

Mr. Hees: The national research council has looked into this method and it has been found to be satisfactory for harbour use and wharf use, but not for channel use. It is impractical for channel use.

Mr. Small: I should like to ask the minister a question. The chairman of the committee is not in a position to speak for himself, but I should like to know if the minister has a spare icebreaker he could send to the port of Toronto. They need an icebreaker up there along with the rest of the ports.

The Deputy Chairman: Order.

Mr. Simpson: I should like to ask the minister if consideration is being given to providing the services of an icebreaker for the port of Churchill during the latter part of the shipping season this fall.

Mr. Hees: I am advised that during this past winter we operated an icebreaker in that area as long as there was any need for it, and we will do the same thing next year.

Mr. Broome: Mr. Chairman, I should like to draw to the minister's attention, in connection with the acquisition of engines for Department of Transport vessels, the fact that there are really no diesel manufacturers in Canada. There are two firms that manufacture under United States licence. They import a great number of parts. When the department is analysing bids it should be remembered that the main turboelectric drive includes electrical equipment which is made in Canada as well as the diesel engines. The component which is of imported manufacture is the main diesel engine, and although there is a preference given to Canadian suppliers, there is a limited amount of Canadian labour content in these engines and the auxiliaries as well.

We in the west are very conscious of the fact that we want to promote increased trade with the United Kingdom which happens to be the principal manufacturer in the world of diesel engines. There are European countries whose engines are offered for sale in this country. I want to bring to the minister's attention the fact that in those cases such bids should be looked at very carefully to ensure that there is a proper assessment of the real Canadian content in the equipment being offered, and not just a make-believe, fake amount of Canadian content, and that in making these decisions proper recognition should be given to the effect such decisions would have on our export trade.

Mr. Murphy: I am in a bit of a dilemma, Mr. Chairman.

Mr. Chevrier: That is surprising.

Mr. Murphy: It might surprise the hon. member but it would not surprise many others. As I say, Mr. Chairman, I am in a bit of a dilemma as to when I can raise this particular subject. It has to do with the Navigable Waters Protection Act. It arises because of the offshore drilling that has been going on in some of the great lakes. I was told that it was actually a matter for the Department of Public Works. The act is actually in three or four parts and the only part that affects public works is that dealing with the issue of these temporary permits or permanent permits to construct a platform upon which to erect a drilling rig. Everything else affects the Department of Transport. If I am out of order, Mr. Chairman, you will appreciate the fact that I will be brief but we will probably know where I can raise this matter.

My contention is that the minor part of the act is simply the permit to construct a platform upon which to erect a drilling rig. The reason I am raising this matter here on the estimates of the Department of Transport is this. As every hon. member knows, down in Michigan, which is not too far from where I happen to live, there was a gusher last fall. I referred to it a few weeks ago, but because of the seriousness of what might happen, I think it needs repetition.

In that particular case some 50,000 barrels of oil were spilled out and for some three or four days, according to our authority, it would have covered all of lake Huron, lake St. Clair and lake Erie. The point I am trying to make is this. I should like to have the minister and his departmental officials discuss the matter on a very high level because an ignited cigarette or a match thrown overboard could have meant terrific loss of life together with an enormous amount of damage. As everyone knows, as you look across from lake Huron on the bridge you can always see 20 ships, 30 ships or 40 ships. This is a serious matter. If I am out of order, that is all right but I am glad that I brought the matter to the attention of the Minister of Transport.

Mr. Fisher: I should like to say a few words on a related type of matter. The minister will recall that last year I raised the question of the tragedy in which four people were killed when one of these drilling rigs collapsed. I just wondered whether, as a result of that tragedy, the minister's department or officials were keeping any closer check upon radio licensing. The whole situation comes under a host of different authorities. I think the Ontario fuel board has something to do with it. I think the Department of Transport has something to do with it. I should like to know whether any steps are taken to tighten up the checks on these drilling rigs in order to make sure that those that are some distance off shore have adequate radio facilities. As I understand the situation, this particular tragedy would probably not have happened if there had been adequate radio communication or radio communication that was up to date. I should like to have a report on that particular matter.

Mr. Hees: We do not have the authority to require a drilling rig to use a radio. However, if they use one, we inspect it, license it and make sure that it meets specifications.

Mr. Fisher: I wanted to ask something in connection with the construction of icebreakers. Any of us who looked at the recent report on ice conditions in the gulf of St. Lawrence that recently became available to us I think will have come to some conclusions. I realize that this is just the beginning of a pattern of study but we have had previous studies in connection with the water route into the Churchill area. All of these indicate that with modern technology, especially in terms of the size of icebreakers—and we can take all kinds of lessons from Russia here—we can extend our shipping season in a number of places in this country to a remarkable degree. The minister has made a statement that apparently satisfied the hon. member for Laurier with regard to the position of this government vis-à-vis more winter shipping up to Quebec and up to Montreal.

I cannot be quite that satisfied and I am not speaking from a political point of view. I should like to know what is in the minister's mind when he says that this government is not going to encourage the development of services in one part of this country to the detriment of another. I think this matter has been well expressed by the Toronto *Globe and Mail*. I cannot give the minister the reference to this particular paper but I recall that they took up this issue. Their argument was that if it was cheaper, despite the expenditures on icebreakers, to bring ocean shipping up to Quebec and even to Montreal for a full 12-month season rather than bringing it from Halifax and Saint John, this should be gone ahead with. I am not subscribing to the *Globe and Mail* point of view but I think it raises the issue of the minister providing us with more than just a statement that he is not going to do something here to the detriment of something else.

There may be such great advantages to Montreal and Quebec having winter shipping that we should seriously consider it. When we get a situation such as the one the minister mentioned yesterday at Sioux Lookout, the people in Sioux Lookout are told when their railway facilities are moved out and their employees are moved: you have just caught up with automation; you cannot stand in the way of the railway providing cheaper and more efficient service. I am not suggesting that we have reached that stage at Halifax and Saint John. However, I should like to know whether the minister is examining the situation from an economic point of view. What lies behind his statement that he is not going to encourage the development of a service that is going to be a detriment to another part of the country? What I should like to know is this. Can he guarantee us that it will be cheaper in the long run for shippers to continue to have their winter supplies come through Halifax and Saint John than to have them come up to Quebec and Montreal?

Mr. Hees: As I said on an earlier occasion, one of the principles on which this government was elected and one of the principles that we follow is that we were elected to serve all ten provinces or the people in all ten provinces, not one or two or three or any other number. We also feel that the people in all those ten provinces have a right to a livelihood, the right to work, the right to earn a living, the right to bring up their families. It is a well-known fact that the two ports of Saint John and Halifax rely to a large extent on the shipping which goes into those ports during the five winter months when shipping on the St. Lawrence does not operate. If we do what the hon. member has urged us to do—that is if all shipping came up the St. Lawrence, if it would be cheaper to do so and all shipping went to St. Lawrence ports—then the shipping that would normally go into Halifax and Saint John simply would not go there and the people who relied on working in the harbour—the stevedores, port employees and so on—simply would be out of a job. The hon. member and his party have always appeared to be sympathetic to those who are put out of work and it surprises me when the suggestion is made that in order to provide cheaper shipping to the rest of Canada we should simply close down the ports of Halifax and Saint John and do all our shipping up through the St. Lawrence river.

I am afraid I cannot agree with that point of view. I have a great respect and liking for the people of the maritimes, the people of Halifax and Saint John. They are fine people and have a right to live and a right to a job. I do not intend to be part of spending federal funds to deprive those people of the right to work. I hope I have made myself clear to the hon. member.

Mr. Fisher: That is the very point I wanted the minister to come to. I was not advocating one thing or the other, but we have the argument that the minister represents the party who was going to bring business-like efficiency into government. I was going to suggest to him, as our party has in the past, that there are other standards than dollars and cents. But what is the difference, except in scale and political power, between what is happening in a small railway community and what is potentially the situation—

The Deputy Chairman: Order. I think the Chair has been very lenient on this matter but I do not think under this item we should be discussing the economic status of one port

compared with another. I suggest the hon. member comes back to the item.

Mr. Fisher: Yes, Mr. Chairman, I agree the Chair has been lenient.

Coming back to the construction or acquisition of vessels and equipment, perhaps the minister can be sharply definitive. He is not going to provide any further extensions of service in terms of icebreakers for the St. Lawrence river up to the port of Montreal other than exist at the present time? Is that correct?

Mr. Hees: Mr. Speaker, I have told the committee my general philosophy on this subject which is the philosophy of this government. I do not think I can make it any clearer.

Mr. Fisher: One last question on this item concerning the construction and acquisition of vessels and equipment. We have all been taken with the magnificent accomplishment of the Russians in producing an atomic powered icebreaker. I gather it has been the decision of this government not to go into that particular field. As a result of the operating experience which the Russians have had, which I understand has been most favourable, I wonder whether any reconsideration is being given to this matter? Whatever the case I would like to know what is the cost factor so far as an atomic powered icebreaker is concerned.

Mr. Hees: Mr. Chairman, we are very much interested in the possibilities of atomic icebreakers. We are carrying on a very intensive study of this whole matter in a British shipyard at the present time where such matters are being studied very thoroughly.

At the present time, to build an atomic icebreaker the same size and power as, for instance, our biggest icebreaker would cost twice as much and three times as much to operate. We just feel that the economics do not justify our going into the atomic icebreaker field at the present time. However, this matter is being very thoroughly examined all the time and we are keeping abreast of the situation. I am advised that the particular research product in which we are sharing will be completed by next spring and that we will have a report on it at that time.

Mr. Fisher: Has the minister or his officials any indication how well the Russian icebreaker is working out? I have seen phenomenal stories about what it can do and despite the cost differential, if it can do what the Russians claim for it it promises to be a sensational vessel for our Arctic region.

[The Deputy Chairman.]

Mr. Hees: Our information is that the Russian atomic icebreaker is working very well but an atomic icebreaker does not work any better than a conventional icebreaker, such as the ones we use. The advantage of an atomic icebreaker is that it can stay away from its home base much longer than a conventional type of icebreaker. This is of course more important to the Russians because the particular type of job they do requires ships which can stay away a long period of time. We are not faced with the same problem as they to anywhere near the same extent. It is largely a matter of balancing economics against what an icebreaker is required to do.

Mr. Carter: Mr. Chairman, while the minister is in this mood of magnanimity which he has just expressed toward the people of the maritimes I wonder if he could tell the committee what the government is doing or would be prepared to do with regard to the establishment of a transshipment port at Mortier bay?

Mr. Hees: We certainly do not have any plans for such a port at the present time. It is an interesting idea and this government, being progressive, is always interested in interesting ideas.

Mr. Carter: Is there anything concrete the minister can report to the house at the moment?

Mr. Hees: No, Mr. Chairman.

Mr. McGrath: Mr. Chairman, could the minister tell the committee whether any negotiations have taken place with the government of Newfoundland with a view to having St. John's declared a national harbour? I understand provision was made in the terms of union between Newfoundland and Canada to provide the province with one national harbour.

The Deputy Chairman: Order. I do not see anything to do with harbours under item 409. Perhaps there is another item later on.

Mr. McGrath: The general topic seemed to be harbours so I asked the question.

Mr. Fisher: Mr. Chairman, we in Ontario have been much excited by the promises of Premier Frost to make Moosonee an ocean port. It seems to me that if he goes ahead with his plan in conjunction with the—

The Deputy Chairman: Order.

Mr. Fisher: I am coming to it.

The Deputy Chairman: I thought the hon. member for Port Arthur was leading to something else.

Mr. Fisher: My point is that Moosonee is in an area where, as we all know, there is a great deal of ice. I am wondering what provisions are being taken to provide an icebreaking service there in the future. I know that the kind of icebreaker which will be required will be a large one and will take some time to construct; but if these grandiose plans go ahead, I would not like to see Premier Frost wind up with this great new harbour and no icebreaker to look after it. I wonder what consideration the government is giving to that?

Mr. Hees: I am advised that that area does not require ice breaking because by the time you get a ship in to break the ice the ice has melted. It seems to be a nice solution to the problem.

Mr. Carter: Just one short question. Can the minister tell the house what is happening with respect to this bubbler system of preventing freeze-ups?

Mr. Hees: Mr. Chairman, I answered that a little while ago. The national research council has examined that method of icebreaking and have reported it satisfactory for harbours and wharves but not satisfactory for channels because of the current.

Item agreed to.

Aids to navigation—

410. Administration, operation and maintenance including fees for membership in the international organizations listed in the details of the estimates, $6,015,938.

Mr. Herridge: Mr. Chairman, I should just like to take the minister for a relaxing cruise for two or three minutes around some of the Kootenay lakes and rivers. I want to say, first of all, that the people of my district appreciate very much the improvements which have been made in recent years—I am going back now some five or six years—to the aids to navigation on the lakes and rivers in the district.

Prior to that time, in many cases the aids to navigation were somewhat limited. In some cases you just had a five gallon oil can tacked on to a stump and the pilot would steer for that, and then a little further up the river he would steer for somebody's outdoor convenience, and that sort of thing. However, there has been a big improvement. There have been a number of rocks and bars marked which have been hazards to navigation throughout the years.

However, I rise to draw the attention of the minister to the rapid increase in the amount of water traffic on the Columbia river, the Arrow lakes and the Kootenay lakes for two reasons in particular. The first is the very rapid expansion in the lumber industry which has caused the use of a much larger number of tugs which draw more water, generally speaking, than the sternwheelers did and which are liable to run aground on some of the sand bars which the sternwheelers slid over. Then there has been a greater use of barges handling materials, etc., used in connection with lumber camps, and in addition the growing use of booms of a new type. We are changing from the bag boom as I have known it since I was a boy to some other sort of boom that draws six or eight feet of water. They are tied with steel bands. On account of this change in the type of boats using the lakes and rivers, additional marking is required.

Furthermore, there is an urgent need for additional markings because of the great increase which has taken place in the number of pleasure craft. One of the hazards connected with these craft is the speed at which they travel. A boat moving at nine or ten knots could go aground on a bar without too much damage being caused, but when you are travelling at 30 or 40 miles an hour it does not take much of a bar to throw you into the lake. There has been a tremendous increase in the number of pleasure craft being used locally, and there has also been a surprising increase in the number which come from the United States, either by way of the Columbia river or through the Kootenay river into the Kootenay lakes. In many cases their owners spend a few days on the Kootenay lakes, then go over to the Columbia river or the Arrow lakes, or vice versa. This traffic now comes from as far south as Portland. My own son-in-law counted 22 such craft during the last Labour day week end which had come from Portland, Oregon. They now have low-boys so that they can get these craft up past the dams so as to proceed up the river. I have heard officers of yacht clubs south of the boundary say that our Kootenay lakes and river system offered such delightful conditions for holidays that these people are coming in ever increasing numbers. So we need to do more marking on the river.

I suggest that the minister should give consideration to marking the river between Arrowhead and Revelstoke. Five cruisers which came up the river on Labour day week end last year broke their propellers against obstacles in this section of the channel. Then there is the necessity for marking some bars which have so far remained unmarked in the Arrow lakes. Local residents know where these hazards are. They are only two or three feet below the surface of the water at low water. The old-time tugboat captains knew where they were, but now you have these

pleasure craft coming up from the States and there is a great risk of serious accident. I would ask the minister to check for the need for more markers in the Arrow lakes a mile or two south of Arrowhead. One of the sand bars which is unmarked is less than two feet below the surface at extremely low water, and there is another rock hazard at about the same depth.

In addition, I suggest there should be careful supervision over the buoys in the narrows between the upper and lower Arrow lakes. These buoys are anchored to their sites, but some of them get torn away at high water. In some cases they have not been replaced. Unless something is done about it a number of these pleasure craft will probably run ashore on sand bars. I suggest that this section of the river be checked very closely and also the aids to navigation between Castlegar and the international boundary. There is some very swift water there and I suggest consideration be given to placing some prominent sign this side of the international boundary south of Fort Shepphard—or Waneta—which would indicate that craft must go to the easterly side of the water to get away from some dangerous rapids. What has been done is excellent, and is quite sufficient for those persons from local boat clubs, and even some of those from Spokane who have travelled the river a number of times, but I notice that increasingly people coming into the Arrow lakes do so without any prior knowledge of the river or the narrows, and I marvel that there are not more accidents. I bring these few matters to the attention of the minister, and suggest he should ask his officials to check them very carefully because there is going to be a tremendous increase in water traffic.

There is one other matter I should like to draw to the attention of the minister. I understand, of course, that the preparation of charts comes under the jurisdiction of the Department of Mines and Technical Surveys, but I repeatedly get requests for a chart of this river from the international boundary onward. I understand that consideration was given to preparation of one last year by the Department of Mines and Technical Surveys, but they were loaded with work and unable to complete it. I suggest that a chart is very necessary. Its publication should not involve any public expenditure. It could be sold readily at a dollar at the international boundary, or at Trail, and should be available to local people who are interested in navigation on these waters. Thus its cost to the treasury could readily be recovered.

That is all I have to say at the present time.

[Mr. Herridge.]

Mr. Hees: We are very glad to have reports at any time telling us if any buoys or markings are missing. We would like to have that information as soon as we can. We welcome these reports, and if the hon. member or the people in his area would tell us the location of any of these obstacles which were mentioned this afternoon we should be glad to take on the task of seeing that they are properly marked.

Mr. Baldwin: May I say while we are on this subject that I should like to compliment the department in connection with the navigational aids I saw last year on a trip to the northern waters of the Athabasca. I had occasion to travel on that route to the north, and I was impressed by the efficiency of the system.

I have travelled northern waters for years and spent many a night on a gravel bar. I think the navigational aids which have been provided by the department has made traffic much easier and I suggest the minister give consideration to supplying similar aids on the Peace river. There is not the commercial traffic on the river that there was many years ago, but there is an increasing number of pleasure boats and I think it would be of great assistance to people using the river in this way. It is so easy now to navigate that I think any hon. member would be able to keep off the shoals and gravel bars.

I have one further comment to make but before doing so I should like to ask the minister if he can assure the committee that it is the intention of his department to keep up this work, to supply navigational aids, and to keep navigation open even from the farthest south port of Fort McMurray to the north, and to continue this service?

Mr. Hees: Yes, Mr. Chairman, I am glad to assure the hon. member that we not only intend to keep up this service but to improve it where we can.

Mr. Baldwin: I am glad to hear that, Mr. Chairman, because last year when I appeared before the Manning commission I heard statements made by the railway companies and other parties who advocated the eastern route for a railway north to Slave lake. These were predicated on the belief that navigation services from Fort McMurray to Uranium City were going to be closed out thus leaving the traffic free for the railway companies. They would then be in a position to proceed without any competition.

The parliamentary secretary to the Minister of Labour recently returned from a visit to Uranium City and knows the difficulties confronting those people. They have relied upon the use of the Athabaska river system from

Fort McMurray into lake Athabaska to provide a safe, effective and reasonably cheap service to carry their in-bound traffic. The figures quoted by the railway companies indicated that a sum in the neighbourhood of $500,000 would be added to the charges on freight going into the Uranium City area, if the railway were built on the east route. As long as it appears that the lower reaches of the Athabaska river will be kept open, the people in that sorely pressed area will look forward to receiving their freight at a reasonable charge.

Mr. Stefanson: Mr. Chairman, I should like to ask the minister a question at this time. Are some improvements to be made to aids to navigation at lake Winnipeg this season? Also what steps have been taken to re-establish the Selkirk subagency?

Mr. Hees: Mr. Chairman, the answer to the first part of the hon. member's question is yes. The whole question of subagencies is now under discussion.

Mr. Howard: Mr. Chairman, the minister and his officials will have received representations from fishermen about my question. Many west coast fishermen have purchased equipment for use with the Loran system of navigation, the short form for the long range navigation system. I believe there were two Loran stations on the west coast and it was hoped additional ones would be established in order that the fishermen with the sets could use them. I understand that another system called the Decca system was developed in England. It operates substantially the same way. I believe experiments with it were conducted on the west coast a few months ago. I should like to know how it is working out and what is the intention of the department with reference to establishing additional long range navigation stations on the west coast for use by fishermen.

There are splendid aids to navigation off the southern part of the coast of British Columbia north of the strait of Georgia, up through Johnstone strait and the inlets below cape Caution, and between Vancouver island and the mainland. There are insufficient aids to navigation including spar buoys, bell buoys, lights, etc. off the upper or northern coast of the province. Perhaps the larger volume of traffic operating off the coast of the southern mainland explains the situation. The department has been extremely kind in the past in meeting requests for additional aids to navigation and I would request that consideration be given to the provision of additional aids off the coast of the northern mainland.

With your permission, Mr. Chairman, I wish to refer to a problem that falls under the divided jurisdiction of the Department of Transport and the Department of Public Works. I have engaged in extensive correspondence with the hydrographic branch and with the Department of Public Works with reference to the dredging of the Metlakatla bar off the coast of Prince Rupert and I disagree, as do many Prince Rupert fishermen, with the decision of the government not to proceed with the dredging of this bar. This project plus additional aids to navigation would be of great assistance to fishermen in that area. They can cross the bar from half flood through to half ebb tide but when it is below ebb tide the bar is too high and there is not sufficient water to allow passage. Boats either have to wait or travel some distance to the south and take another entrance to the harbour of Prince Rupert.

Will the minister indicate to me and to the committee the working conditions, or the conditions of employment, of lighthouse keepers and tenders and people who work at lighthouses; their hours of work, their time off, and so forth; how much time they are required to spend as a lighthouse tender before they get to be a keeper, and so forth?

I notice on page 519 of the details something which seems rather odd. Perhaps the minister can give an explanation of this also. About the eighth or tenth item from the bottom there is a classification of moulder helper and patternmaker. I assume from the reference here that this classification is the type of work involved in making castings of different metals for different purposes. I do not know whether that is so or not, but I am sure that would be the designation that a patternmaker would have in making patterns for castings. I would assume the moulder helper would work in that capacity also. I wonder why there is no moulder involved? What are the functions and duties of those two particular classes?

Mr. Hees: Regarding the placing of navigational aids, every year representatives of my department meet with various marine organizations in the areas and discuss with them what is needed. Then to the very best of our ability we try to carry out the wishes expressed.

With regard to what we are doing in the area represented by the hon. member, the Prince Rupert agency has specific items and I shall be glad to show them to the hon. member if he wishes to see all the details. We have an expenditure during this year of about $100,000.

Regarding the salaries and working conditions of lighthouse keepers, while I was

visiting Prince Rupert three years ago, a visit to which the hon. member kindly referred a while ago, I went out on the *Alexander Mackenzie* to visit various lighthouses and lighthouse keepers. I think that lighthouse keepers are about the happiest group of people that you will find anywhere. Ours appear to be very happy in their jobs. I should like to assure him that their salaries and conditions of work are under constant review. I believe he will find on talking to them that they are pleased and satisfied with their jobs at the present time.

Regarding the employees to whom the hon. member referred, the moulder helper and the patternmaker, at our marine agencies we have a carpenter shop and a blacksmith shop, and naturally it might look strange if there is a moulder helper when there is no moulder. I am advised that is the strange way the civil service commission writes up these particular positions. I agree with him that these particular classifications are puzzling at times I assure him the employees of these marine agencies on these jobs are able to do the work that is asked of them.

Mr. Howard: I appreciate the minister's feeling and attitude toward lighthouse keepers. Sometimes you cannot get all the comments. The microphone is very sensitive. I heard some reference to the fact that the lighthouse keepers' salaries are under constant review; that they are happy, contented and so on. That is not the question I asked. I asked what are the working conditions; how much time do they spend in the lighthouse or at any particular lighthouse before relief for them is obtained, and things of that general nature? What specific conditions of employment apply to lighthouse keepers, and not whether they are contented and happy, was my question.

I had some difficulty in getting my hearing aid to function properly, Mr. Chairman. Perhaps the minister mentioned this; if so, I did not get it and I apologize, but I did make some query as to what is transpiring with respect to long range navigational systems. If the minister mentioned that I did not hear him and I apologize and I would appreciate it if he would reiterate it. If he did not mention it, perhaps he will tell me exactly what is happening in that regard.

Third, if under the present classification someone is classified as a helper but is not a helper, then certainly the civil service commission should change the classification. If he is performing the duties and functions and carrying out the responsibilities that a moulder, which is a craft and trade, has to carry out, then I am of the opinion that on a salary of $2,870 a year he is grossly underpaid. Even as a helper he is grossly underpaid at that rate.

Mr. Hees: Regarding the working conditions, salaries, and so on, of lighthouse keepers, those are classified positions which come under the civil service commission and all those details are worked out by the commission. I will be very glad to get the details for the hon. member and let him have them as soon as I am able to obtain them.

Regarding the installation of additional Loran installations, these, as the hon. member knows, are very expensive indeed and the question of additional installations is now under very active study.

Mr. Chevrier: Mr. Chairman, there is some reference in this vote to membership fees in international organizations listed in the details on page 518. I am not able to find those international organizations. I doubt whether they are listed on page 518. Will the minister put the organizations on *Hansard*?

Mr. Hees: Yes, I have them right here. The international association of lighthouse authorities, $439; the permanent international association of navigational congresses, $200; these are the only two.

Mr. Simpson: I should like to get some information from the minister with regard to some of the inland lakes in the northern part of our provinces, particularly in northern Manitoba, respecting aids to navigation. Each year we see an increasing number of pleasure craft on those lakes. I am wondering whether there is any obligation on the Department of Transport to provide reef marks on those large northern lakes, or whether there is any financial assistance available to various groups such as campers' associations, and so on, to mark those reefs so that they make the lakes safe for navigation?

Mr. Hees: Yes, Mr. Chairman. We mark the reefs when charts have been made of the lakes, and charts are made by the Department of Mines and Technical Surveys when there is demand for them.

Mr. Simpson: Just one brief question on that explanation. For instance, in my opinion some of the lakes in that area should be classified as navigable waters. What is the explanation of the term "navigable waters", so far as the Department of Transport is concerned?

Mr. Hees: It is not a question of whether or not the waters are navigable, it is a question of whether any commercial use of any importance is made of the waters. If there is,

then there are charts made and the reefs are marked. If the hon. member could bring specific lakes, specific waters, to our attention we would certainly have a look into such cases.

Mr. Fisher: I wanted some information on the contract services for lake Superior. The details are on page 520 of the book of estimates. There was $75,000 last year, and nothing is to be spent this year. Does this mean that the amount last year was just for the icebreaker services?

Mr. Hees: Yes, Mr. Chairman, this was the contract price for the icebreaker tug which we employed last year before we built our own icebreaker. There is no figure for this year because the icebreaking is being done by our own vessel.

Mr. Fisher: I wanted to bring up another matter in connection with the lake Superior services and this relates to the situation at Nipigon. There is every promise that Nipigon may develop into an ore shipping point, although this may be some time in the future. We have a most complicated transportation situation at Nipigon. We have the harbour, which is rather small, and which is dredged by the Department of Public Works; the Ontario department of highways has a bridge over the river very close to the harbour, and we have the Canadian National Railways bridge over the river which is also close to the harbour. We have the Nipigon river, which is a stream emptying into lake Superior and which carries a great deal of pulpwood. I believe there is more pulpwood carried on this river than any other river in Canada. The Department of Public Works has spent money in the past in building up the retaining walls along the river as it goes out into the harbour area.

The residents in the town have informed me that their worries in connection with this particular river and harbour came to a head last August when they had a flood there which led to the crumbling of some of the embankment. I have made requests of the Department of Public Works to examine the situation and make sure that every step has been taken to protect the embankment there. I wonder if the minister could explain to me what role his department plays in interrelating the development and the safety of a harbour such as Nipigon which is so complicated with all these other transportation authorities having an interest in having a good safe harbour, a good safe river, and no danger of any embankment sliding into the stream or into the harbour.

Mr. Hees: Mr. Chairman, we work out these various problems in close consultation with the Department of Public Works. It is a joint operation and whenever a situation like this arises the two departments get together and do the best they can.

Mr. Fisher: Could I make a request of the minister that he check with the Department of Public Works to see what they have done in this regard and make absolutely sure of the future safety of the community and the future safety of the harbour in terms of silting up or of any breakaways from the bank, and to see that the situation is examined by some kind of engineering team so that some kind of report can be made available both to the departments and to the people in the area?

Mr. Hees: I am advised that the Department of Public Works will consult us if they feel navigation is involved. Any time we are asked to work with them on matters of this kind or are advised of a situation of this kind we will be glad to look at it in conjunction with the public works department.

Mr. Herridge: There has been mention by one or two members of overlapping between the Department of Public Works and the Department of Transport. This moves me to ask a question which I had forgotten to ask previously at the request of some of the people of my constituency, particularly those interested in using wharves, lumbering, and things of that sort. Apparently the Department of Transport is in the habit, in outlying places, of appointing permanent employees or officials of the Department of Public Works as their agents.

Now, the first question I want to ask is, are they agents of the Department of Transport at all times or only at such times as they are rendering services for which the Department of Transport is responsible? My second question is, does the Department of Transport accept full responsibility for the actions of agents appointed by them who are officials of the Department of Public Works?

Mr. Hees: If they are performing functions for us, then we are responsible for their activities and they are agents of ours.

Mr. Herridge: My other question was, are they agents of the Department of Transport at all times, as it were?

Mr. Hees: No, only when they are performing specific tasks for us.

Mr. Herridge: Then during this time the department accepts responsibility for their actions?

Mr. Hees: It is a matter of function; it is not a matter of time. If they are doing a job for us as our agents we accept responsibility for what they do.

Mr. Howard: I wanted to follow up this line of discussion I had with the minister a moment ago. I am sorry it got off on something else, but it had to do with the long range navigational aids. The minister indicated, and I think his words were, that this was under active study or active consideration and that plans were in the offing for establishing a system of that nature.

Mr. Hees: I should like to correct that. I did not say plans were in the offing. I said the matter was under study.

Mr. Howard: I am perhaps adding words that the minister did not use, and I apologize for that. The question is under study. I know it has been under study for quite some time, and I know there is a conflict as between types or systems of aids to navigation, some developed in the United States and some developed in other countries.

The Deputy Chairman: Order; it being five o'clock, in order to allow the house to proceed to the consideration of private and public bills it is my duty, pursuant to section 3 of standing order 15, to rise, report certain resolutions, and request leave to sit again later this day or the next sitting of the house as the case may be.

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

PRIVATE BILLS

ROSE VOSKO RIBKOFF

The house in committee on Bill No. SD-50, for the relief of Rose Vosko Ribkoff—Mr. McCleave—Mr. Rea in the chair.

The Deputy Chairman: Shall we take the 45 divorce bills under one item?

Mr. Peters: No, Mr. Chairman.

The Deputy Chairman: Then the committee will consider Bill No. SD-50.

On Clause 1—*Marriage dissolved.*

Mr. Peters: The bill we have before us is report 59 of the Senate. This is probably what we, after our long experience in debating these bills, would call a very stereotyped divorce case in which it would appear from reading the evidence that it was a framed case, that the evidence we are discussing was not necessarily the evidence that was involved in this particular case but that it was a common television type of divorce case. Unfortunately or fortunately it affects some extremely young people. The clerk of the committee established the following information:

By the Clerk of the Committee:
Q. What is your name?
A. Rose Ribkoff.
Q. What is your age?
A. Twenty five.
Q. Where do you live?
A. Montreal.
Q. What is your occupation?
A. Bookkeeper.
Q. Are you married and if so to whom?
A. I am married to Irving Ribkoff.
Q. When were you married?
A. March 13, 1954.
Q. Where?
A. In Plattsburg, New York.
Q. In Plattsburg or Glens Falls?
A. I was married in Plattsburg.
Mr. Jacobs: Mr. Chairman, there is an error as to the year of the marriage. I would ask that paragraph one be amended to correspond to the marriage certificate, as being the 13th day of March, 1954 instead of 1953.

This may have been a Friday. If it was, it was probably not too good a day because it would appear, just from reading this evidence and from drawing an inference, that this young girl, at that time only 19 years of age, on Friday the 13th, went down to the United States and got married probably without her parents' consent. At any rate, the marriage took place as proved by a document that was presented, namely the marriage certificate which was filed and marked as exhibit No. 1. A photograph taken two and a half years ago is presented as exhibit No. 2. This is a likeness of the husband of the petitioner. Mr. Jacobs, an advocate from Montreal I believe, appeared as counsel for the petitioner and began his questioning as follows:

By Mr. Jacobs:
Q. Mrs. Ribkoff, where was your husband born?
A. In Montreal.
Q. Where has he resided during his life time?
A. In Montreal.
Q. During your marriage with him what city did you live in?
A. In Montreal.

But they did get married in the United States. The questioning continues:

Q. To your knowledge where is your husband living today?
A. In Montreal.
Q. Did you have any children with your husband?
A. Yes, I have.
Q. How many?
A. Two.
Q. What are their names and how old are they?
A. Arlene Adele is 5, born October 18, 1954; and Stephen Warren, 3, born August 24, 1956.

It may be interesting, Mr. Chairman, to go back and check with the marriage certificate because there is some doubt whether they got married in 1953 or 1954. At any rate the questioning continues as follows:

Q. During your marriage with your husband could you tell us how you got along with him?
A. Not very well.
Q. What trouble did you have?
A. He beat me, he insulted me, he was abusive, spoke harshly, came home late.
Q. How late would he come home?
A. Three and four a.m.
Q. How often?
A. Almost every night.
Q. Did you speak to him about his conduct?
A. Yes, I did.
Q. What was his reply?
A. He said that it was none of my business.
Q. As a result of the facts you have stated did anything happen to you in April 1957?
A. Yes, I became ill.
Q. What type of illness did you contract?
A. Tuberculosis.
Q. As a result of that illness did you spend any time in the sanitorium?
A. Yes, I did.
Q. How long were you there?
A. Ten and a half months.
Q. During this period of time who looked after the children?
A. My mother did.
Q. Do you remember your husband coming to see you in the sanitarium in January 1958?
A. Yes, I do.
Q. Did you have any discussion with him?
A. I did.
Q. What did he tell you at that time?
A. I told him I was to be discharged the following month and that we would require a home in Montreal, and he says as far as he is concerned it is my problem not his because he has no intention of setting up home for me like that.
Q. Were you discharged the following month?
A. Yes, I was.
Q. February 1958?
A. Yes.
Q. Where did you have to go?
A. To my mother's.
Q. Since that time has he ever set up a home for you?
A. No, he has not.
Q. Did you do your own part, did you make any attempt to try to bring the family together?
A. Yes, I did, because my mother's house was too small and I felt I wanted to take an apartment with my husband and try to make a go of our marriage.
Q. Did that ever work out?
A. No, he refused.

If we go back to the real reason, Mr. Chairman, why this marriage did not succeed or why the parties did not get along, what do we find? I have not been able to find out how old the husband is. She was 19 years old when she got married. I am not sure how old the husband was. I am not really sure why Mr. Jacobs changed the date on the marriage certificate. But if the new date was correct instead of the old one, the petitioner got off to a bad start in the first place because of the situation existing and probably there was a terrific amount of resentment involved in this marriage. What we are about to find out as to the grounds for the adultery charge in this case is not necessarily important to the case at all but it has incidentally arisen out of the fact that the husband resented the marriage in the first place and that the arrangements did not work out. The second child followed the first. The stay in the sanitarium did not help the situation at all so that by the time she was ready to leave the sanitarium the husband had decided that he had no intention and certainly no desire to set up a house for his wife. Senator Roebuck continues with the questioning and he is interested in ascertaining whether any arrangements had been made for financial support, particularly in view of the fact that the husband has already indicated that he has no intention of renting an apartment.

By the Chairman (Senator Roebuck):

Q. Did he give you any money for the support of yourself and the children?
A. Yes.
Q. How much?
A. Not very much.

By Mr. Jacobs:

Q. How much weekly, actually?
A. $20 a week.
Q. As a matter of fact, by court order is he now contributing $25 a week for the support of you and the children?
A. Yes.
Q. And you have sufficiently regained your health and I understand you are engaged as a bookkeeper?
A. That is right.
Q. And the children live with you?
A. Yes.
Q. Do you have anyone looking after them while you work?
A. Yes, I have an efficient housekeeper.

By Senator Lambert:

Q. Do these payments come in regularly?
A. Yes.

By Mr. Jacobs:

Q. Do you have any personal knowledge of your husband's alleged adultery on March 3, 1959 at the Croyden apartment hotel in Montreal?
A. I was informed by the detectives.
Q. But you were not present at the time?
A. No.
Q. Is there any collusion or arrangement between you and your husband to obtain this divorce?
A. No.
Q. Have you in any way connived with anyone to bring this petition before the committee today?
A. No.
Q. Has there been any condonement or forgiveness on your part?
A. No.
Q. Would you take him back today?
A. No.

Mr. Chairman, these questions must be asked but it would seem to me that we are only asking people to lie and to perjure themselves for no particular good reason. We are all aware, I am sure, on reading this evidence that the wife is not paying for this petition, that she has no money.

Mr. Nesbitt: How do you know?

Mr. Peters: I have read the bill. Have you? We have no indication whether the evidence proves that or not. If the hon. member wishes to make comments I would like to see him rise—

The Deputy Chairman: Order.

Mr. Peters: It would appear to me that the wife is receiving for herself and her two children the princely sum of $25 a week under a court order. Out of this amount we are being asked to believe that she has been able to save enough money to obtain this divorce, a divorce which costs on the average around $2,500. It would seem to me that this woman has not enough money to live on as it is and would certainly not have much money to pay for a divorce.

If we come to that conclusion, then we must also come to the conclusion that she is going to a get a divorce because her husband is willing to pay for that divorce, and if he is willing to pay for the divorce I think we can draw the further conclusion that he has already arranged another alliance for himself and wishes the divorce in order to marry somebody else. This is the deduction which has been proved by a young lady who makes a living doing this kind of thing—

The Deputy Chairman: Order.

Mr. Peters: I think we are safe in saying that in this particular case it is probably the husband who wants the divorce more than the wife. The amount of money indicated in the evidence which the woman has is not sufficient to allow her to get a divorce, pay for the lawyers and the other costs involved.

Senator Roebuck continues the questioning as follows:

Q. Did you ever discuss the question with your husband about his actions on March 3, 1959?

A. No.

Q. When did you have your last marital relations with your husband?

A. When the baby was conceived, when Stephen Warren was conceived.

Q. That would be some nine months prior to August 24. Well, at all events, since March 3, 1959 have you had any relations with your husband of that kind?

A. No.

Then Peter Rosen appeared as a witness on behalf of the petitioner, and having been duly sworn testified as follows. We have heard of Mr. Rosen before. He lives in Montreal and classes himself as an investigator. He is questioned by Mr. Jacobs as follows:

Q. I am showing you a photograph which has been filed as exhibit 2, can you identify the man in the picture?

A. That is Mr. Israel Ribkoff.

Q. Did you have occasion to investigate the conduct of Mr. Israel Ribkoff or Irving Ribkoff?

A. Yes, I did.

Q. What did you ascertain?

A. I saw Mr. Ribkoff on several occasions at the time when he visited his wife's home on Ellendale, and learned he had a four door car, black, licence number 217178; and I also found he stayed at the Croyden apartment hotel on Cote des Neiges road; he was staying in room 720 at the time. On March 3, 1959 I followed him that day and he arrived at the corner of Peel and Sherbrooke streets and he met this young lady and he picked her up, she was waiting for him at the corner, and they drove to a restaurant on Decarie boulevard circle, to the restaurant Ruby Foo's, and they were there about an hour and a half; they then came out and they drove back to Mr. Ribkoff's apartment, the Croyden apartments on Cote des Neiges road, and they both came out of the car.

Mr. Chairman, is this not exactly what we are told happened in this type of case not long ago in another connection? The young lady working in these cases does not come to the apartment. She wants to meet in a restaurant so that they can have a cup of coffee and talk the matter over so it is all on the up and up. This is what happened in this particular case. She is waiting on a street corner, not at her home. You will remember that many times on returning home they were left on a street corner so that the people on the street they live on do not know they are being driven home every night by a different man. In this case she is picked up on the street corner and driven to a restaurant, a fairly respectable restaurant I presume.

The evidence continues:

Mr. Ribkoff locked both doors of the car, and they both went into the building. I followed them in, and they went up to the apartment 720 and they both went inside and the door was shut. I waited around a few minutes, and I then went down to the lobby and I used a pay phone there to call my man. As a result of the call my man met me there shortly before 11.30 and together we went back up to the room 720. I rang the bell.

Mr. Chairman, I think all stationery stores should be really angry at the turn of events taking place in these divorce cases recently. Before we always had them putting adhesive tape or some other kind of tape on the door, but now they do not bother. From the number of cases we have read before it must have been a very profitable business for stationery stores and I think they should in all fairness spread the money around which they get out of this and that they should follow the previous practice. It was so phony it sounded plausible.

This is a very stereotyped sort of case and you can know almost what is in it without reading it; but there are small differences in the evidence and I should read it. The questioning is continued by the chairman of the other place, Senator Roebuck, as follows:

Q. What time was this?

A. That was shortly after 11.30. We went up to the apartment and I rang the bell. It took a few minutes and a man came to the door, and as he opened the door we pushed our way into the room. The man started to yell at us and wanted to know what business we had coming in there.

Mr. Golden, my man, quietened him down—

It does not say so here but they probably twisted his arm or something.

—and I showed him this photograph I had, exhibit 2, and asked him if that was his picture and if he was Israel Ribkoff. He admitted that it was his picture, that he was Israel Ribkoff. He wanted to know what it was all about. I told him we were acting on behalf of his wife. We looked around, it is one large room, continental bed there, with two pillows on it, and the bed was disarranged, but we didn't see anybody else. So I asked him, "Where is the woman you came into the apartment with?" He said, "What do you need her for?" I said, "We want to speak to her." So we tried the door, which was a bathroom door, and it was locked, and she was in the bathroom.

They not only knocked on the bathroom but this is what they did:

So I knocked on the door, and she wouldn't come out, so I said, "You had better come out, lady, or we will break the door." So Mr. Ribkoff spoke to her through the door and she asked him to give her something. He handed her something, I think it was a slip through the bathroom door, and she opened up and came out a few minutes later dressed in a slip; and I asked her for her name and address, and she at first didn't want to but I told her I would check it and find out where she lived, she told me then that her name was Miss Jean Hill and she lived at 5705 Westminster Avenue.

Here again is another of these cases where the people have no respect whatsoever for privacy of any description. They tell a young lady that if she does not come out of the bathroom they will break the door down and come in. I would be very surprised if these people could get away with this type of action and still have the licence or the privilege to call themselves investigators. They quietened the man in this case. I do not know how. They may have used force on him. Then they go on to force this young lady to come out of the bathroom by telling her that if she does not they will break the door down.

By Mr. Jacobs:

Q. Did you notice any clothing around the room?
A. Yes, women's clothing on the chair near the bed, and some man's underclothing and a shirt and tie on another chair in the room.
Q. There was no doubt in your mind the bed had been occupied by two people?
A. No, definitely it was pretty well mussed up, what we saw.

I draw your attention particularly, Mr. Chairman, to that last question and to the reply which was given. I suggest that that question could never be answered in the affirmative. The reply to that question would always be an expression of opinion. Unless two people were in the bed it could not definitely be said that two people had occupied that bed. Anything else would be an expression of opinion by the witness.

Next, Abe Golden appeared as a witness on behalf of the petitioner, gave his age as 52, his address as Montreal and stated he considers himself to be an investigator. Mr. Jacobs asked him questions, to which he gave answers as follows:

Q. I show you a photograph which has been filed as exhibit 2, can you identify the man in that picture?
A. Mr. Israel Ribkoff.
Q. Were you with Mr. Rosen on the evening of March 3, 1959?
A. Yes sir.
Q. When you saw Mr. Israel Ribkoff?
A. Yes sir.
Q. Tell us under what circumstances and where?
A. Room 720 at the Croyden hotel, on Cote des Neiges. We entered the room. Mr. Ribkoff was in the room number 720. All he had on was his trousers. There was just a continental bed which was used, and we saw no woman, and Mr. Rosen went over to the bathroom door and knocked on the door, and we tried to get the woman out, and she wouldn't come out; she hollered out of the bathroom, "Throw me something Iz." So he threw her slip in, and she comes out, this woman, wearing the slip. Mr. Rosen asked her her name, and she didn't want to give it at first, but then she said, "Jean Hill". Mr. Ribkoff asked us to leave the room, so we left—didn't want to argue with him.
Q. What was the condition of the bed in that room?
A. The bed was disturbed.
Q. How many beds?
A. One continental bed, double bed.

By the Chairman (Senator Roebuck):

Q. Did the bed show signs of two people having been in it?
A. Yes, gentlemen.
Q. It showed signs of having been slept in?
A. Yes, gentlemen.

By Senator Golding:

Q. Was that the only time you were on the case?
A. Yes, sir.

On application by Mr. Jacobs, the name "Irving Ribkoff" was amended to read "Israel (Irving) Ribkoff", wherever the said name appears on the petition. Amendment granted.

This is one of those cases that is as phoney as a three dollar bill. There is no doubt in my mind that this evidence could easily have been manufactured. There is no real evidence that intercourse had taken place at all, and if it had not taken place, then obviously there can be no support of a charge of adultery and until there is some proof or indication that intercourse did take place, then there is no adultery.

I suggest we cannot pass this bill on the ground in the petition which said definitely that adultery had taken place. It is not good enough to say adultery could have taken place, or that it is possible for it to take place. I am sure it is possible that adultery can take place at any time and in almost any place, but that does not necessarily mean to say it does and just because there is an opportunity is no reason in my opinion for any consideration to be given to this objection. This case in particular is based on very limited and stereotyped evidence. As a matter of fact there is not enough evidence here for a decent discussion of the problem. The bill itself reads as follows:

Whereas Rose Vosko Ribkoff, residing at the city of Montreal, in the province of Quebec, wife of Israel (Irving) Ribkoff, who is domiciled in

Canada and residing at the city of Quebec, in the said province, has by her petition alleged that they were married on the thirteenth day of March, A.D. 1954, at the town of Plattsburg, in the state of New York, one of the United States of America, she then being Rose Vosko; and whereas by her petition she has prayed that, on the ground of adultery since then, their marriage be dissolved; and whereas the said marriage and adultery have been proved by evidence adduced and it is expedient that the prayer of her petition be granted: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

The said marriage is hereby dissolved, and shall be henceforth null and void to all intents and purposes whatsoever.

It says here: "the said marriage and adultery have been proved by evidence."

I suggest that the marriage has been proved, but I strongly maintain that the charge of adultery has not been proved, and this is the only type of evidence which can be accepted. If we want to say we will grant this divorce because we think the man has a new girl friend he wants to marry, or because we think the petitioner has a boy friend she wants to marry, very good. I think we should grant the divorce, and that these are sufficient grounds. But I maintain strongly that if we are going to say in the bill that adultery has been proved then that is not a fact. We are drawing an implication so broad that it becomes ridiculous. This is one of those stereotyped cases that the lawyers have developed of a kind which is meeting with considerable success in the other house and which should receive very close scrutiny by hon. members here. We should not ask people to come before us or the other house with evidence of this nature and ask for relief on this type of testimony.

Mr Howard: Mr. Chairman, I have a few comments to make—

Mr. Horner (Acadia): Blocking and more blocking.

Mr. Howard: I beg your pardon? Mr. Chairman, I do not know if the hon. member was relieving himself of a political platitude or if he had some comment to make and that is why I begged his pardon.

I am disturbed about one aspect of this case which has cropped up time and time again in these cases, the means by which investigators obtain their evidence. People just do not allow complete strangers to walk into their homes at late hours and finding them in a state of partial or complete undress interrogate them about these personal matters.

Mr. Rosen, the first investigator to testify in this instance is probably more honest than his partner and many other investigators because he explains how he gained entry to the room. Let me read his evidence at this point. At page 12 he is questioned by Senator Roebuck as follows:

Q. What time was this?

A. That was shortly after 11.30. We went up to the apartment and I rang the bell. It took a few minutes, and a man came to the door,—

This is the relevant part:

—and as he opened the door we pushed our way into the room.

This is how most investigators gain entry. They push their way into homes disregarding people's rights. They barge in trampling the rights of the individuals.

Someone snickers in an awkward, nasty way at my reference to people's rights indicating that they do not have any.

Mr. Horner (Acadia): Indicating that you do not acknowledge them.

Mr. Howard: That is the blatant answer we get indicating that I do not acknowledge their rights.

Mr. Horner (Acadia): That is correct.

Mr. Howard: That is precisely the point I am getting at. I am acknowledging the rights of these individuals to their privacy. I suggest the manner in which the divorce laws are drawn—

The Deputy Chairman: Order. I cannot allow the hon. member to discuss a matter of procedure and he will have to come back to the bill.

Mr. Howard: In order to meet the test under the rules of the other place governing divorce the rights of individuals are trampled upon. This is what happens in complete disregard of the rights of those individuals to privacy. Mr. Rosen indicates that there was objection on the part of the respondent to the invasion of his apartment. I continue:

The man started to yell at us and wanted to know what business we had coming in there.

The man objected to the forced entry of these two strangers at this late hour and was justified in doing so because he did not know them and there was no conversation. They forced their way in thereby invading the rights of the individual to his privacy and contravening the Criminal Code with respect to trespass and possibly with respect to assault. This is the impression I am given by members of the bar who have much more knowledge of these matters than I have.

As though he were referring to Robinson Crusoe, Mr. Rosen goes on to state:

Mr. Golden, my man, quieted him down—

We do not know how this was accomplished, whether by persuasive talk or threats of physical violence. I contend that the

investigator used threats of additional trespass, assault and damage to property. About inquiring where the corespondent was, Mr. Rosen stated:

So I asked him, "Where is the woman you came into the apartment with?" He said, "What do you need her for?"

That may be classified as hearsay and not admissible, but in any event that is what he said. I continue:

I said, "We want to speak to her." So we tried the door, which was a bathroom door, and it was locked, and she was in the bathroom. So I knocked on the door, and she wouldn't come out, so I said, "You had better come out, lady, or we will break the door."

As in previous cases we have here the evidence of an investigator to the effect that he violated the privacy of an individual and contravened the provisions of the Criminal Code with respect to trespass and later on with respect to threats of property damage and further trespass and assault.

It is accepted certainly by us here as being the normal thing which occurs; it is accepted generally by society. I think it is accepted—I do not think it should be—because we probably all realize that in these circumstances this was the method that had to be used by the investigators to gain this particular evidence; otherwise, they might not have obtained it and we might not have the case before us. These people are employed as investigators to work on behalf of the petitioner. They knew from their past experience that they had to discover certain things in order to appear before parliament and give evidence with respect to those things.

They go on to talk about the state of the clothing and the state of the bed, whether it was a single or a double bed, and so on. But we have come to accept here—I think unfortunately—the fact that in some instances the rights of people have to be violated; that the Criminal Code has to be violated; that trespass has to be indulged in; that sometimes physical violence has to be indulged in and, as indicated in other cases, sometimes threats have to be made, assault has to be carried out in order to obtain this sort of evidence. Yet we all know, Mr. Chairman, that under other circumstances if this were to occur and it did not occur in conjunction with a court case, or it was done by someone who did not have a search warrant, immediately there would be charges laid against the individuals involved in trespass, assault, theft or whatever else arose out of the activities of the individuals in the case.

It is regrettable that we have come to forget that those rights do exist in society, at least we have forgotten them in so far as divorce cases are concerned. We wink our eyes at them or say to ourselves: Because the law insists that manufactured evidence be developed, insists that hyprocrisy be the rule of the day, we also shut our eyes to other violations of such rights and practices. In this case there was the pushing of their way into the room and threats to knock down the door if a certain thing were not agreed to. We say, "Well, this is all right and we will content ourselves to let it pass." Let us forget it and not look at the fact that there was an invasion of privacy and there were violations of the Criminal Code to obtain the evidence, because we know that the law itself relating to adultery is crazy in the first place and insists upon this sort of activity to provide the grounds for divorce.

I should refer to the circumstances in order to give the entire picture. Evidence was given by Mr. Golden, another investigator. He also relates his activities, starting at page 13, from which I am reading now. He was questioned by Mr. Jacobs as follows:

Q. Tell us under what circumstances and where?

This was in relation to when he saw the defendant. I continue:

A. Room No.—at the—on Cote des Neiges.

All that he says, Mr. Chairman, is that they entered the room. We recall this, Mr. Chairman, the door was open, as a matter of fact, and they entered. He makes no reference to the pushing of their way into the room, no reference to the man starting to yell at them, no reference to his own participation, as given by Mr. Rosen. Perhaps I should clear this up. Mr. Rosen said that the respondent started to yell at them, wanted to know what business they had and Mr. Golden—that is the other investigator—quietened him down. When Mr. Golden comes in to give his account of what occurred, the circumstances, and where this occurred, he makes no reference to his quietening anybody down or if he did how he did it; no reference to their manner of entry into the apartment, no reference to what the respondent said at that stage of entering the door, only the words "we entered the room". That was all.

Then he gives an account of what the respondent was wearing, the bed that was there, the condition it was in, and so on. Yet he does not incriminate his own partner with respect to what Mr. Rosen said. He said to the lady in the bathroom—and you will recall, Mr. Chairman, Mr. Rosen said, "You had better come out, lady, or we will break the door". His partner says that Mr. Rosen went over to the bathroom door and knocked on the door. He said, "We tried to get the woman out and she would not come out". She hollered out of the bathroom "Throw me

something". He was referring to the respondent, and then he indicates that he threw her slip in and she came out wearing her slip.

If in the first instance I over-emphasized this question of invasion of rights of the citizen, I should say this. I gave half the evidence. The other half of the evidence was silent on this question. Mr. Rosen makes no reference to the activities of breaking and entering or pushing their way in; no reference to quietening anybody down; no reference to threatening to break down the door if the lady would not come out of the bathroom; no reference to the individual starting to yell at him. I think it should have been ascertained why there is this conflict in evidence unless we are to assume that perhaps the feeling in the other place—

Mr. McPhillips: Mr. Chairman, on a point of order, it is quite true, as the hon. member says, this witness did not say anything about forcing his way into the room, but neither did he say whether he had a hair cut, a shave or had on a clean shirt. This has nothing to do with the evidence, Mr. Chairman. My submission is that this sort of discussion could go on ad infinitum. It adds nothing to the case. We must deal with the evidence as it appears in the record.

Mr. Drysdale: Very sound.

The Deputy Chairman: There is one point that perhaps should be brought out. The hon. member has been discussing at some length the question of forcing entrance, and that sort of thing. It is quite true that he can refer to how they got in there but the method by which they got in has nothing to do with this committee. I think this is under the jurisdiction of other departments of the municipal government. It is quite true the hon. member can refer to how they go in there but to go farther than that has no bearing on this bill.

Mr. Howard: I agree with you, Mr. Chairman, that their method of entry has nothing to do with whether adultery took place or not. This is the key point in the bill.

I would submit what they discovered once they made entry had nothing to do with whether or not adultery had been committed. This was another factor which the hon. member for Timiskaming developed in connection with this bill, and which I think requires a bit of additional discussion.

Perhaps I should say, as a sort of tardy defence, Mr. Chairman, that I only made reference to this question of forcible entry as it may relate to the rights of individual citizens under the Criminal Code, and that we should not countenance this sort of thing to the slightest degree.

The Deputy Chairman: Order; the Chair suggested to the hon. member that he had gone into this question in greater detail than was necessary. I do not see that there is any reason now to repeat it.

Mr. Howard: Yes, Mr. Chairman, but as I said, this is only in tardy defence of my action and I had just reached the end of that reference, in any event. I was going to get to the question of adultery. At one time I thought I understood the meaning of adultery. I had read about it and seen references to it in the newspapers and things of that nature. I had had discussions with other people, as one does from time to time, about this sort of thing. I thought I understood just what it did mean. However, in participating in these debates, and after listening to some conversations here, quite frankly I have come to the conclusion I do not know what it is. Perhaps, Mr. Chairman, some guidance is needed from you, and I am sure you will not hesitate to provide it, if I am off the track a bit. Perhaps some guidance is needed as to what the rules are in this committee, in connection with the passage of this particular bill, in relation to what adultery means. What do we take it to mean?

The Deputy Chairman: Order; this question was discussed, I believe last Tuesday, and the Chair ruled that a definition of adultery had nothing to do with this bill. The committee of the other place apparently has decided that adultery has been committed. Hon. members of the committee can suggest that they believe it has or that it has not, and vote one way or the other. This is their privilege. They do not have to agree with the committee of the other place, but the Chair will not allow the discussion of a definition of adultery at this time.

Mr. Howard: Then may I say, from the outset, that I disagree with the other place entirely in the conclusion to which the other place has come. I say that, not in criticism of the other place in any way but only to indicate that I disagree with the committee of the other place on this point. If I cannot engage in a discussion of my thoughts as to what adultery does mean, perhaps I might be permitted to make reference to the evidence in this regard which seeks to establish this particular point, and thus point out why I disagree with the conclusion of the committee of the other place as to what the evidence shows. Perhaps in this way I can get my thoughts over to the committee.

After this Mr. Rosen had gained entry to the room, after he had knocked upon the door—

Mr. Brunsden: On a point of order, Mr. Chairman, is it permissible for an hon. member to read in this house the proceedings in the Senate with respect to this case?

The Deputy Chairman: It has been ruled that it is permitted to refer in this committee to the evidence given on a bill before the committee of the other place.

Mr. Howard: The evidence produced in support of adultery is given first by Mr. Rosen. I assume that we cannot get to the point of determining whether or not adultery is proved until he actually gets into the premises. There is some doubt about that in some cases. In any event, he says this:

He admitted that it was his picture, that he was—

Then he gives the name of the respondent. I do not believe that is an admission of adultery, an admission that is a picture of yourself and that you are a certain person.

He wanted to know what it was all about.

I do not take that as an admission of adultery.

I told him we were acting on behalf of his wife.

In my opinion, this is not proof of or an admission of adultery.

We looked around, it is one large room, a continental bed there, with two pillows on it, and the bed was disarranged, but we did not see anybody else.

This is not proof of adultery but is only proof of the fact that they saw one person in the apartment, that there was a continental bed with two pillows on it and the bed was disarranged.

So I asked him, "where is the woman you came into the apartment with?"

We might be getting close now in the matter of proof of adultery, but still that question itself does not prove it.

He said, "what do you need her for?" I said, "we want to speak to her."

This is not proof of adultery.

So, we tried the door which was a bathroom door, and it was locked,

Then subsequently evidence was given, Mr. Chairman, that there was a lady inside the room, and presumably she needed a slip to wear before she could come out. This is not proof of adultery, in fact it is the converse because she was in the bathroom, the man was in the bedroom and the door between them was locked. Then he goes on to threaten her about coming out and he mentions the man's name who spoke to her through the door.

—and she asked him to give her something. He handed her something, I think it was a slip, through the bathroom door, and she opened up and came out a few minutes later dressed in a slip;

This is not proof of adultery, it is only proof that the young lady put on a slip and came out of the bathroom.

—and I asked her for her name and address, and she at first didn't want to but I told her I would check it and find out where she lived, and she told me then that her name was—

Then he gives her name and address. This is not proof of adultery. There is no indication of it. Then these questions are asked:

Q. Did you notice any clothing around the room?
A. Yes, women's clothing on the chair near the bed, and some man's underclothing and a shirt and tie on another chair in the room.

This is not proof of adultery, but is merely proof of the fact that there is clothing on a chair near the bed. If ever there was a leading question to elicit a certain answer, this is it—

The Deputy Chairman: Order; 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. Dumas: I wonder if the leader of the house could tell us whether the business as outlined last evening stands for next week, and in the same order?

Mr. Churchill: I should like to add two items to those I announced last night for consideration on Tuesday after the other matters have been considered. I should like to add item No. 13 on today's order paper, the resolution in the name of the Minister of Transport dealing with the proposed construction and completion of a certain railway terminal by Canadian National Railways. For Wednesday the first item to be called will be No. 11 on today's order paper, namely the resolution in the name of the Minister of Finance dealing with the International Development Association. That item will be followed by the budget resolutions.

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

Supply—Items Passed

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

DEPARTMENT OF EXTERNAL AFFAIRS

Other payments to international organizations and programs—

499. Purchase and transportation to Chile of flour and pork for the relief of Chilean disaster victims and to authorize reimbursement of the agricultural commodities stabilization account in respect of the purchase of such pork, $1,600,000.

DEPARTMENT OF TRANSPORT

A—Department—

402. Departmental administration (including the former St. Lawrence river joint board of engineers —Canadian section), $2,732,470.

Canal services—

403. Administration, $97,240.

404. Operation and maintenance, $2,127,773.

405. Construction or acquisition of buildings, works, land and equipment, including payments to provinces or municipalities as contributions towards construction done by those bodies, $1,040,685.

406. Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence seaway authority with the approval of the governor in council, and to authorize, notwithstanding the Financial Administration Act or any other act, the disbursement by the authority of revenues derived from the operation and management of such canals and works, $1,716,969.

Marine services—

407. Marine services administration including agencies, $904,250.

Marine service steamers—

408. Administration, operation and maintenance, $18,363,133.

409. Construction or acquisition of vessels and equipment, $6,500,000.

HOUSE OF COMMONS

Monday, June 6, 1960

The house met at 11 a.m.

EXTERNAL AFFAIRS

STATEMENT BY PRIME MINISTER ON VISIT TO WASHINGTON

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, with the permission of the house I should like to report in general on the visit which I made last Friday and Saturday to Washington at the invitation of President Eisenhower. As I pointed out on my arrival there, this was not a formal visit; it was the kind of call which one makes on a close neighbour with whom one is on friendly terms and with whom one is in the habit of talking over matters of mutual interest.

I particularly point out the warmth of the welcome extended to me because I represented Canada, both by the President himself, his secretary of state and all the officials and members of the public with whom I came in contact. We are bound to have differences between our countries, as friends and neighbours will, but beneath the surface of whatever intermittent strains may arise in our relationship there is a vein of continued understanding and good will that springs not only from our heritage but also from the common sense of the importance of being united in safeguarding common values.

I am going to refer to one or two of the matters which were discussed, although I know the house will not expect me to go into any detail on the substance of those talks. We found ourselves in agreement with regard to the circumstances which led to the summit failure and also the position which the western nations should now adopt individually and within the NATO alliance in their relations with the Soviet union. The need is to establish and preserve an equilibrium between the maintenance of defensive preparedness on the one hand and on the other a continued readiness to retain existing contacts with the Soviet world and extend those contacts on the basis of mutual agreement whenever the opportunity arises.

I discussed with the President matters connected with the future policies in NATO. I expressed the view that the time had come for the NATO nations to re-examine the capacity of that alliance to deal with the problems which lie ahead. Hon. members will recall that at the ministerial meeting of NATO last December the United States secretary of state proposed that a study be made of long range planning for the 1960's. My view, which I expressed to the President, was that recent international happenings had increased the urgency of undertaking this study.

The United States is already engaged in preliminary work along these lines. My view was that after that study had been fully proceeded with the NATO governments should give early and serious attention to the holding of a meeting at heads of government level in order that those who have the responsibilities of leadership may join in a collective effort to establish and sketch new lines of endeavour for NATO in the years ahead. All of us are fully conscious of the importance of thorough preliminary consultation, for unless we achieve the free interflow of ideas and suggestions in the future we cannot take advantage of the opportunity to open up new and secure paths of progress for the alliance.

I further stated that should it be agreed that a heads of government meeting of NATO should take place, Canada would be prepared to extend invitations to the NATO leaders to hold that meeting in Canada.

I discussed with the President the proposal which he put forward first in 1955, and to which he referred in recent public statements, that consideration should be given to a system of aerial inspection as a means of removing the threat of surprise attack. In that connection he pointed out the views expressed by the Leader of the Opposition in support of action in that direction. The President confirmed that study was being given to the open skies proposal. I said that such a proposal, if and when advanced in the United Nations, should have co-sponsors and that Canada would join in sponsoring an appropriate resolution in that regard.

Other subjects were generally of an international nature, the outlook for progress on disarmament and the ending of nuclear weapons tests. There was agreement on the importance of pursuing negotiations on these matters which would serve at the moment as important and continuing points of contact with the Soviet government. Information on the most recent Soviet disarmament plans as enunciated by Mr. Khrushchev was not

available in a comprehensive form and it was therefore not possible to discuss this development in any detail. However, as the Secretary of State for External Affairs said in the house last Friday, although the Soviet proposals are heavily weighted in propaganda aspects the western nations should demonstrate a readiness to examine them with serious intent, and the agency for that consideration exists in the 10-nation committee on disarmament which will resume its deliberations tomorrow in Geneva.

As for the bilateral relations between United States and Canada, various aspects of policies affecting the two countries jointly were discussed, including continental defence and problems in the trade and economic fields. We spoke frankly about the concern that Canadians feel over recent United States wheat surplus disposal policies which could damage Canadian wheat export markets, particularly in Latin America and Africa. However, I think I can sum up the general feeling and the attitude that was shown during these discussions by reading the words of the communique and drawing particular attention to those in the concluding paragraph:

> The Prime Minister and the President reviewed the course of relations between their countries during recent years and noted with pleasure the extent to which the problems arising in such relations have yielded to the process of friendly and continuing consultation. They considered that satisfactory means of carrying on such consultations have been established in personal exchanges as well as by regular diplomatic arrangements and the various joint committees that have been created. They expressed their belief that there has been established between the two countries—

I know the house will concur in this.

> —a model for the relationship between neighbours.

Again I repeat, sir, that the unusual warmth of the welcome and the expressions not only of friendship but of a desire to cooperate in every way so as not to cause harm one to the other were most apparent, and I must publicly express my thanks and appreciation for everything that was done on the part of our great neighbour to show its feelings toward our country.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think all hon. members of the house will have listened with interest to the Prime Minister's report and I am sure all were happy that it was possible for him to continue a practice which has now extended over many years and to take advantage of the opportunity to visit Washington and confer with the President of the United States; particularly at this rather difficult time in the history of relations between the east and west and indeed a time of some difficulty in regard to relations inside the coalition. By "difficulty" I mean it is a time of stocktaking and re-examination, not so much of the purposes and principles of the coalition, because there has been no doubt about that, but as to how we can best achieve the objective we have set for ourselves within the group.

I am sure the Prime Minister had the kind—it is obvious from what we have heard—of warm and friendly reception that Canadian leaders always get when they go to Washington, even though they go down there on occasion to talk very frankly to our friends and neighbours.

I am sure this meeting, like others before it, was useful as well as pleasant. In his statement the Prime Minister added something to a communique which was very short and general in character, and we are glad to get the information he has given us. We read that communique, Mr. Speaker, along with the statements that appeared in the press on the meeting in question. I note, for instance, that both the President and the Prime Minister—and I certainly have no quarrel with this—emphasized that the tactics pursued by the leader of the Soviet union in recent days, tactics at least of verbal aggression, have had the result that such tactics always have and which they do not seem to understand on the other side of the iron curtain, of bringing members of the coalition closer together rather than splitting them apart.

While that is true, Mr. Speaker, we must not forget that this is not a satisfactory or a very certain basis of unity. To have our unity strengthened in that negative way, on that shock-treatment basis, if you like, is not good enough. Therefore, recent developments have shown not only the necessity of coming closer together in the face of a common danger but, as the Prime Minister has pointed out, they have shown also the insufficiency and inadequacy of present methods of consultation inside the alliance. And by "consultation" I do not mean the giving of information after decisions have been taken, but consultation on every aspect of policy inside the alliance before decisions are taken.

I am glad the Prime Minister has once again emphasized the necessity of this, but we will never get it merely by talking about it. Indeed, we have been talking about it now for a good many years; so while I welcome this examination of the policy of NATO in the 1960's, which the Prime Minister has referred to this morning, I doubt whether any further examination of the need of consultation and unity inside the alliance will add very much to the studies we have already made in NATO in the past on that subject.

If it were possible for NATO governments to carry out recommendations which have already been made about consultations and co-operation, the organization would be far more effective than it is at present. While a NATO summit meeting—if I may refer to it in those terms—may be a helpful thing to have, I could hope that in the case of that summit meeting the work will have been done before the meeting is held, and that NATO will be able to implement some of the recommendations already made. All that is required is for the governments in NATO to carry out the recommendations made; to make NATO more effective not only in defence but in non-military matters. In so far as defence is concerned, the time has come to have another look at the possibility of having a really collective system which would include North America as a NATO sector of defence. I say that because if we have learned anything from the events of the last month surely it is that defence is not divisible, and that we cannot talk about western European NATO defence and ignore the North American sector of that defence.

One of the things that is mentioned in the communique, but just mentioned, is the subject of the defence relationship between the two countries. There is greater elaboration of that point in some of the press comment on the conference. Indeed, in the New York *Times* of yesterday there was a headline to the effect that the Canadian Prime Minister gets assurance by the United States that the President has pledged his backing and presumably the backing of the United States on defence planning and the Bomarc missile program. If it had been possible for the Prime Minister to give it we would have welcomed some information on that score. Where do we stand now on these matters of defence?

The communique has one very important reference to this matter which perhaps I might read. It is in these words:

> Particular attention was paid to the importance of achieving, with effective international control, an end to nuclear testing and progress toward general disarmament.

That is a very important statement, Mr. Speaker, that attention has been paid particularly to the importance of achieving an end to nuclear testing, with effective international control. The Secretary of State for External Affairs has told us more than once in the house that the policy of the government in that regard is an end of nuclear testing, period. When I have asked him in the house whether that meant an end of nuclear testing with controls he has repeated that he meant an end of testing, period. The possible ambiguity and doubt between that statement and the one in the communique subscribed to by the President and the Prime Minister of this country certainly should be removed.

I am glad some discussion took place about disarmament and the United Nations. Once again the head of the Soviet government has made what seems to be one of those sensational proposals that make it look as if we have something new before us. The disarmament committee is going to meet tomorrow, and I hope there will be no delay in Geneva in taking him up on this at once and finding out what, if anything, is behind it.

The Prime Minister mentioned also the desirability of pressing ahead with the open skies proposal. I cannot think of anything much more important than that in the light of what has happened in the last month. Perhaps I might just recall at this time, because the Prime Minister mentioned Canada's connection with this matter, that back in 1955 the Canadian representative to the disarmament committee of that day, the hon. member for Essex East, put before that group this proposal for open skies. At that time there was not too much support for the Canadian initiative. Perhaps the time has now come to take this up again as a Canadian proposal at the United Nations and to associate with Canada in this regard—the Prime Minister mentioned the desirability of this—a group of middle powers who can press ahead with this as a middle power proposition, in view of the fact that the great powers are so suspicious of each other in connection with implementing such a proposal. There might be greater likelihood of something resulting from a group of middle powers taking the initiative and following it through, and taking the responsibility under the United Nations for implementing it without the participation of the great powers.

These and other things should be pressed, of course, with great vigour at this particular time, because public opinion is surely alert now to the necessity of doing something because of the kind of shock treatment it has received. Shocks will wear off, however, and if we do not take advantage of this situation we will be tempted to lapse back into the kind of situation we have been in so often, of assuming that because we get some kind words again, following bad words, everything is going to be all right.

The Prime Minister mentioned that economic matters were considered in Washington. I certainly hope they were. I agree with the Prime Minister that compared with relations between most other neighbouring countries those between Canada and the United States are a model. Nevertheless it is a model which can be improved upon.

Prime Minister's Visit to Washington

One way in which it can be improved is in the field of trading and economic relationships so that those relationships will include the kind of co-operation which we are expected to give in defence itself. It has so often been said in the house by members on both sides that if we are to co-operate in defence we must co-operate in defence production. Perhaps the Prime Minister had the opportunity in Washington—I do not know whether he did—of reminding the President that one part of defence production is defence materials, and we are not going to have the kind of co-operation which we should have if we can be turned on and off as a source of defence materials to meet the exigencies of economic and political situations in the United States.

So, Mr. Speaker, we welcome the Prime Minister's talks in Washington and we hope they will yield concrete results. But surely the time has come, especially in the United Nations and in NATO, when all the fine talk of the last 10 years must be converted, in the light of the dangers and difficulties of the last month, into some kind of concrete action.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group appreciate the Prime Minister's moderation, tenor and tone in making his report to the house as a result of his visit with President Eisenhower. I am going to be quite brief, but I do wish to emphasize this on behalf of this group. The point of view of this group at the present time is in general that this is not a time for political pyrotechnics or recriminations or threats from any source. This is a time for the calm presentation of constructive views and action. From our point of view, this is the time for Canada to give constructive, forceful and co-operative leadership to the middle and smaller powers in the promotion of an atmosphere that will dissipate the apprehensions of the world at this time.

We urge the government to seize with both hands this opportunity to render a tremendous service to mankind. We also believe, Mr. Speaker, that the Secretary of State for External Affairs (Mr. Green) has the capacity, the ability and the point of view that will enable him to give constructive and effective leadership at this time.

Mr. Diefenbaker: The Leader of the Opposition referred to the communique and said that I made a passing reference to it. I have not it before me at the moment, but with the leave of the house it might be printed as an appendix to *Hansard*.

Mr. Speaker: Does the house give leave for the printing of the communique in *Hansard*?

[Mr. Pearson.]

Some hon. Members: Agreed.

[*For text of document referred to above, see appendix.*]

PUBLIC SERVICE SUPERANNUATION ACT

AMENDMENTS WITH RESPECT TO CONTRIBUTIONS, PENSIONABLE SERVICE, BENEFITS, 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 Public Service Superannuation Act with respect to contributions, pensionable service, benefits, the calculation of annuities payable to widows and children, persons re-employed, medical examinations, transferred pensionable employees, contributions to the retirement fund, reciprocal transfer agreements and for certain other changes in connection with the administration of the act.

Motion agreed to.

MOTION FOR PAPERS

LAND TITLE DISPUTE, LAKE OF TWO MOUNTAINS INDIANS

Motion No. 116— **Mr. Howard:**

For a copy of all correspondence, telegrams and other documents exchanged from January 1, 1900 to date, between the federal government, or any agency or department thereof and any other government, person, or organization, relating to a dispute over land title between Indians of the lake of Two Mountains and the ecclesiastics of the seminary of St. Sulpice of Montreal, and for a copy of all judicial decisions in relation thereto.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Because of the length of time involved in this resolution there may be some delay, but the motion can pass if it is understood than there may be some delay in the production of the documents.

Motion agreed to.

BUSINESS OF THE HOUSE

REQUEST FOR STATEMENT ON LEGISLATIVE PROGRAM

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the house leader. In view of the fact that this morning the house is entering upon morning sittings, can the house leader tell the house what business, other than that now contained on the order paper, is contemplated between now and the end of the session, so that we on this side of the house could have a general idea of what remains to be done?

Hon. Gordon Churchill (Minister of Trade and Commerce): That is an important question, Mr. Speaker. It is essential that the house know what is ahead during the next few weeks. That matter will be looked into this week and some announcement will be made.

IMMIGRATION

REPORTED OFFER OF PROTECTION TO ILLEGAL CHINESE IMMIGRANTS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to direct a question to the Minister of Citizenship and Immigration. Has the hon. lady seen a report in this morning's *Globe and Mail* by Mr. Robert Chow in which he states:

> An unofficial offer of protection has come from the Canadian immigration department to members of Toronto's Chinese community who have entered this country illegally.

Can the minister tell the house whether any such offer has been made and, if so, what it is?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I saw the article referred to, Mr. Speaker, and the only information I have is that it may have reference to the statement I made in this house when I said that those who wished to come forward and try to regularize their entry would be given every consideration. I imagine this is a broad interpretation of that statement.

Mr. Pickersgill: If I may, I should like to ask the Prime Minister a supplementary question. In view of the fact that reports in the press, some of them attributed to the police, have cast suspicion upon the whole Chinese community in Canada, does the Prime Minister not think some member of the government should give an official statement about this matter in order to remove this cloud of suspicion from a respected and respectable section of the Canadian community?

Right Hon. J. G. Diefenbaker (Prime Minister): I could not be more in agreement with the hon. gentleman, Mr. Speaker, that the Chinese people in Canada are respectable and respected. Indeed, during the years I have numbered among the Chinese people many good and continuing friends. A full statement in regard to the matter was made by the minister. However, if the hon. gentleman feels that something further might be said, I shall examine the remarks which have been made and which I believe cover the situation in its entirety. Then, if it is appropriate that something further be said, I will see to it that one or other minister will make a statement.

Mr. Pickersgill: When such a statement is made, I wonder whether the Prime Minister could see that this fantastic story is dealt with that 11,000—that is half of all the Chinese who have entered Canada since the war—have entered this country illegally; because it is that statement which is creating the present situation.

Mr. Frank Howard (Skeena): I have a supplementary question which I should like to direct to the Minister of Justice. Has the minister any knowledge of whether the Royal Canadian Mounted Police, in the pursuit of their investigation in this regard, might not have made an unofficial offer of clemency or pardon if these people would come forward and assist them with their views?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the Royal Canadian Mounted Police, of course, would not be in a position to do that because the only person in a position to decide what action should be taken with regard to any case involving illegal entry into Canada is the Minister of Citizenship and Immigration (Mrs. Fairclough). The minister, as I recall it, has stated that the intention is not to persecute but to establish what are the facts and then do our best to clear up and regularize the situation; in which process she hopes to have—and I am sure will have—the co-operation of the Chinese community itself.

With regard to questions earlier asked by the hon. member as to whether I had representations from the Chinese benevolent association of Vancouver, may I say that I have now received a letter dated June 3 containing two sets of resolutions from the Chinese benevolent association in Vancouver, the letter having been received by me this morning, June 6.

I think I should refer to another statement made by the hon. member for Bonavista-Twillingate. The Royal Canadian Mounted Police have not officially stated that there were 11,000 illegal entries. That is not an R.C.M.P. figure.

TRADE

GASOLINE—INQUIRY AS TO IMPORTS FROM RUSSIA

On the orders of the day:

Mr. Arthur Smith (Calgary South): In the absence of the Minister of National Revenue, Mr. Speaker, may I ask the parliamentary secretary whether departmental officials have

been able to ascertain whether the proposed shipments of Russian gasoline into Canada in any way contravene Canadian dumping regulations?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Undoubtedly, since this question has been mooted in the past, some consideration may have been given to the matter. I will make inquiries about it. As the minister is expected back within the next two or three days, he may have a statement to make at that time.

NATIONAL PARKS

NOVA SCOTIA—STATEMENT ON ESTABLISHMENT OF SECOND SITE

On the orders of the day:

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): On Thursday last, Mr. Speaker, the hon. member for Bonavista-Twillingate asked this question:

Mr. Speaker, I wonder if I could ask the acting minister of northern affairs whether the government has received any application or approach from the government of Nova Scotia with a view to the establishment of a second national park in that province.

I am informed by the department that communications have been received from the government of Nova Scotia with respect to the establishment of a second national park in that province.

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I may, I should like to ask the acting minister a supplementary question about the suggested second national park in Nova Scotia. Can the acting minister say whether any active steps have been taken by the federal government to carry out this suggestion?

Mr. Harkness: I am not in possession of any knowledge as to what the situation is with regard to carrying this proposal into execution.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

SAN FRANCISCO, CAL.—REQUEST FOR OPENING OF TEMPORARY TOURIST CENTRE

On the orders of the day:

Hon. D. S. Harkness (Acting Minister of Northern Affairs and National Resources): On Friday last the hon. member for Nipissing asked this question:

In view of the government's refusal to establish a tourist information centre in San Francisco this year on a regular basis, will the government now consider the opening of such a centre on a trial basis, with the appropriate promotion, for this summer season?

[Mr. Smith (Calgary South).]

I think I cannot do better than refer to the reply given by the minister of northern affairs on May 4 to a question asked by the hon. member for Kootenay West (Mr. Herridge). At that time the minister said there had been a significant increase in the amount of money available to the Canadian government travel bureau for the current fiscal year. In working out priorities for getting the most value from the dollars spent, it was decided to lay the emphasis this year on increased direct advertising in the United States and on information material for distribution. As a result, funds were just not available to establish an office in San Francisco at this time.

I think it will be evident to the hon. member that the same consideration would apply to the opening of a tourist information centre on a trial basis for this summer season. To do so would require a reduction in the advertising, which would be most undesirable. I would remind the hon. member, too, that a venture of this kind requires careful advance planning, even though it is experimental, and it is much too late in the season to put out the promotion that would be necessary to make the work of such a centre most effective.

I should add that the Canadian consulates in San Francisco, Los Angeles and other centres will continue to deal with travel inquiries on behalf of the Canadian government travel bureau. I can assure the hon. member that the desirability of opening additional travel offices in the United States, as well as the question of travel promotion in Europe, about which the hon. member inquired recently, is continuing to receive the closest attention of the government.

ATOMIC ENERGY

NUCLEAR TESTS—INQUIRY AS TO PRESENT GOVERNMENT POLICY

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Secretary of State for External Affairs a question based on the communique to which the Prime Minister directed the attention of the house in referring to the conference between himself and the President of the United States. The communique notes that particular attention was paid to the matter of achieving effective international control to end nuclear testing.

My question is this. In view of this statement, will the Secretary of State for External Affairs say whether the policy of the government of Canada with regard to the cessation of tests has now been changed, more particularly in view of a statement which was made in this house on February 16 last, when the

minister said the policy of the government of Canada was that there should be a cessation of tests with or without control?

Hon. Howard C. Green (Secretary of State for External Affairs): I have not yet had an opportunity to read this communique, but there has been no change in government policy.

PUBLIC WORKS

LAKEHEAD—ACQUISITION OF PROPERTY FOR TERMINAL FACILITIES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I would like to direct a question to the Minister of Public Works, or possibly it should be directed to the Minister of Transport; I am not sure. It is a rather urgent matter for both departments, stemming from the fact that the lakehead harbour commission is having difficulties over the failure of the cities of Fort William and Port Arthur to deed outright to the commission property for the terminal facilities now being built by the Department of Public Works. Could either of the ministers inform me what steps, if any, the government is taking to iron out this intercity rivalry?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, in the absence of the Minister of Transport and on my own behalf might I say that neither of us has ever received any notice from the hon. member for Port Arthur, but because of the urgency of the matter I will consider the question as notice.

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I would like to ask the Acting Secretary of State, in view of the fact that the government business coming before the house is the combines legislation, whether he would take what steps he can to see that the order of the house passed on May 30 concerning the tabling of certain communications on the subject of combines legislation is brought forward as quickly as convenient.

Hon. Leon Balcer (Acting Secretary of State): Mr. Speaker, I am informed that this return will be tabled within the next two or three days, three days at the most.

Hon. Lionel Chevrier (Laurier): May I direct a question to the Acting Secretary of State, and bring his attention to the fact that a series of returns in connection with Georgian Bay Airways Limited which have been promised have not yet been tabled. Will the Acting Secretary of State be good enough to look into the matter?

Mr. Balcer: I will look into the matter.

ROYAL CANADIAN AIR FORCE

MOOSE JAW, SASK.—REPORTED DISFRANCHISEMENT OF PERSONNEL IN PROVINCIAL ELECTION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of National Defence. In view of information which has come to my attention this morning to the effect that 750 air force men and their dependants at the R.C.A.F. base at Moose Jaw, are being disfranchised in the Saskatchewan provincial election, will the minister be good enough to inquire into the accuracy of this statement and, if he finds it is true, will he take immediate steps to reinstate these people on the voters' lists?

Hon. G. R. Pearkes (Minister of National Defence): When a man enlists in any of the armed forces he signs a declaration as to his ordinary place of residence so as to qualify him for voting in that electoral district during a federal election.

As far as the law of Saskatchewan is concerned, under section 30 any British subject who is 18 years of age and has six months' residence in Saskatchewan can vote. However, under section 31—and that is the section on which the deputy attorney general of Saskatchewan has based his ruling—it is stated that only those who have signed a statement of ordinary residence in the province of Saskatchewan can vote. It has always been the policy of the department that in local and provincial elections the rules laid down by the local statutes and interpreted by the local legal officers of the crown prevail.

CANADIAN BROADCASTING CORPORATION

FURTHER STATEMENT ON PROGRAM "RENDEZ-VOUS AVEC MICHELLE"—PAYMENT FOR PUBLICITY

On the orders of the day:

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, there are a couple of questions standing over which were asked by the hon. member for Roberval. The first was a supplementary question addressed to me on May 31. However, because of the detail of the information I would propose that it be published in the same way as an ordinary written question, as an appendix to *Hansard*.

Inquiries of the Ministry

Mr. Speaker: Does the house give consent to the proposal made by the parliamentary secretary to print the answer in the usual way in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The answer above referred to is as follows:*]

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1. Édition Beauchemin

Auteur	Publication
Robert Hollier (interview, 31 mars 1960)	"Bétail"
Guy Boulizon (mention, 31 mars 1960)	"Livres Roses et séries noires"
Paul-Marie Paquin (interview, Octobre 1957)	"Almanach Beauchemin"
Henri Beaudout (interview, Été 1958)	"L'égaré 11"
Agathe Legault (mention, 31 mars 1960)	"Les Aventures de Sigisbert"
Germaine Guèvremont	"Le Survenant"
	"Marie Didace"
2. Éditions Fides	
Guy Maufette (interview, 14 janvier 1960)	"Livre de Contes"
Juliette Morange Campeau (mention, 31 mars 1960)	"Que votre volonté soit faite"
Robert Choquette (interview, 13 mars 1958)	"Suite Marive"—"Élise Velder"
Père Émile Legault (interview, 4 avril 1957)	"Confidences"—"Eaux vives"
3. Institut littéraire de Québec	
Roger Lemelin (interview)	"Pierre, le magnifique"
André Giroux (interview, fin d'année 1959)	Le prix du Gouverneur Général pour "Après tout la joie"
Yves Thériault (interview, été 1959)	"Agaguk"
Jean-Charles Harvey (interview, 1953)	"Paradis de sables"
4. Éditions Bélisle, Québec	
Alexandre Bélisle (interview)	"Dictionnaire de la langue française"
5. Édition Fon Fon	
Madame Claudine Vallerand (interview, septembre 1958)	"Chante et joue maman Fon Fon"
6. Éditions de Gai-Moulin	
Lucille Desparois (interview)	"Contes aux Angelos"
7. Centre éducatif et culturel	
Fernand Séguin et Auray Blain (interview)	"Le monde des plantes"
8. Éditions de l'exagone	
Fernande St-Martin (interview)	"Essai sur la poésie abstraite"
9. Éditions Serge Brousseau	
Maurice Valière (interview)	"Derrière le sang humain"
10. Éditions Erta	
Jean René Major (interview)	"Poèmes"

Mr. Lambert: I am informed by the Canadian Broadcasting Corporation that it is not the policy of the C.B.C. to give preferential treatment to any publishing firm. A summary survey would indicate that the following publishing firms received indirect publicity on various occasions as listed hereunder:

PROGRAM "PREMIER PLAN"—STATEMENT ON COMMENTS ON SUMMIT CONFERENCE

On the orders of the day:

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): The second question asked on May 31 was with respect to the program "Premier Plan". I am informed by the Canadian Broadcasting Corporation that on the program "Premier Plan" on the French television network on Sunday evening, May 29, at 10.30 p.m., a panel was interviewed by Mr. Gérard Pelletier as moderator. It was composed of Mr. Philip Dean, Washington correspondent of the Toronto *Globe and Mail* and Mr. Amoury de Riencourt, writer and free lance broadcaster and political observer in New York. They were called upon to discuss and express their views on the last summit conference meeting. The views expressed were those of the individuals concerned.

MINES AND TECHNICAL SURVEYS

INQUIRY AS TO CONTRACT FOR OCEANOGRAPHIC SHIP

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Mines and Technical Surveys whether the contract has yet been awarded for the construction of the new hydrographic and oceanographic ship and, if so, to whom?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, this contract has not yet been awarded. Tenders have been received, and they are under study by the Department of Defence Production.

COMBINES INVESTIGATION ACT—CRIMINAL CODE

AMENDMENTS RESPECTING MERGERS, MONOPOLIES, ETC.

The house resumed, from Wednesday, June 1, consideration of the motion of Mr. Fulton for the second reading of Bill No. C-58, to amend the Combines Investigation Act and the Criminal Code.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, when the debate was adjourned on Wednesday last I was seeking to deal with the principle set out in clause 17 (4) of the bill, a wholly new principle, as I was endeavouring to show. I had just started to deal with that phase of the matter, and I had quoted the clause which in my submission had provided a new alternative method of proceeding in these cases, a proceeding by way of information rather than by way of prosecution.

The significant word is "or", making it quite clear that there are alternative methods of proceeding. Formerly the proceeding for a mandatory or prohibitory order had been merely an ancillary or additional method to the penalties provided under the criminal prosecution. This clause now introduces an alternative to the criminal prosecution, and I had just started to point out the objections to that course of proceeding.

The word "information" is of course used in proceedings commenced by the crown whether by way of criminal prosecution or, as in the case of the exchequer court, proceedings by way of civil action. It will be found in rule 3 of the exchequer court rules that all suits on behalf of Her Majesty in the right of Canada are, unless otherwise provided by statute of the parliament of Canada, to be instituted by information, and so on.

The point I was making was that since the word "prosecution" obviously refers to criminal prosecution and the word "information" used in the clause is an alternative to criminal prosecution, the word "information" must denote the commencement of civil proceedings by the crown. Since the whole basis of the jurisdiction of this parliament under former anti-combines legislation is that it is criminal law—the offence is made a crime—this materially weakens, and indeed it could be argued may even destroy, the whole anti-combines legislation if I am right in my submission that this clause gives a new alternative method which is a wholly civil method of proceeding as an alternative to criminal proceedings.

There are other objections to this new principle. One objection is the taking of an arbitrary power by the Minister of Justice; and while the cabinet must speak collectively, and I cannot ask any one cabinet minister how the principle which gave the Minister of Justice this arbitrary power was dealt with, I do hope the Prime Minister will deal with that point before this debate concludes, because of the attacks which have been made by the present government in past years on anything which they interpreted as giving arbitrary power to a minister. Yet here we are presented with legislation in which the minister seeks to determine whether civil or criminal proceedings will be taken in the event of a breach of the provisions. Moreover, he seeks to exercise that discretion not in accordance with any criteria set out in the act of parliament, but merely in accordance with his own opinions.

This is a wholly offensive method of proceeding. I would hope that our laws would be determined by the parliament of Canada, and that we have not reached the stage of giving a minister of justice the right to substitute his own opinions for those of the parliament of Canada in determining the law.

If the clause is objectionable on those two grounds, it is also objectionable on a third. It creates the possibility of favouritism being shown by the Minister of Justice, and the hon. gentleman surely does not wish that those who follow him in his office should be confronted with the necessity of making a decision as to whether proceedings to be commenced against a company which is in breach of this act shall be on the basis of criminal or civil law.

What are the criteria to be? Is it companies who have presidents who have no hair at all who are to be dealt with under civil law? Is it men who have red hair who are to be taken to the criminal courts and not to the civil courts? The whole of the solution proposed to us amounts to an absurdity, yet we are being asked to enact it as legislation. It is wholly wrong, and those who follow the present minister in office and exercise this discretion will always be suspected of showing favouritism on one ground or another.

Mr. Macdonnell: May I ask a question?

Mr. McIlraith: I have only 20 minutes in which to put forward my argument. I will be glad to answer the hon. gentleman's question at the conclusion of what I have to say, but I am trying to cover two or three points.

There is one other objection to this clause. It will be noted that the discretion allowed to the minister may also be exercised by the attorneys general of the provinces. There are ten different provinces. It is by no means difficult to imagine a situation where in one of

these provinces every company in breach of the act would be proceeded against by way of civil proceedings, while in another part of the country they would all be proceeded against by way of criminal prosecution.

Surely, in these circumstances, the parliament of Canada cannot be asked to set up legislation which, in effect, depends on the manner in which its provisions are carried out by the provincial attorneys general. Surely we are not to be left in the position where in one province, which may take a very unkind view of anti-combines legislation, there would be no prosecutions under the Criminal Code but merely civil proceedings, while in another province, where a different view might be taken, all the prosecutions would be under the provisions of the criminal law. I can even envisage a situation where one province might decide that it wished to attract within its jurisdiction many of the companies which were carrying on these practices, intending to be very friendly toward them. So the legislation is bad from that point of view.

The clause, as I see it, is wholly offensive. It is directly contrary to the minister's declaration that he was adopting and preserving the principles of anti-combines legislation as they exist. It is further objectionable on the ground that it gives arbitrary power to the minister. It is the key clause in the bill now before us; it is wholly bad, and it should be rejected.

I wish to turn to another subject in the few minutes remaining to me. I propose to deal with that part of the bill which has to do with retail price maintenance, or the old section 34 of the act. That is to be found in clause 14 of the bill, and in my respectful submission clause 14 again introduces a wholly new principle. The principle in the legislation as it exists is that resale price maintenance is illegal. Section 34—and I will read only a few phrases of it—provides:

> No dealer shall directly or indirectly by agreement, threat, promise or any other means whatsoever, require or induce or attempt to require or induce any other person to resell an article or commodity
>
> (a) at a price specified by the dealer or established by agreement,
>
> (b) at a price not less than a minimum price specified by the dealer or established by agreement.

And so on.

Mr. Browne (Vancouver-Kingsway): On a point of order, it seems to me that on the second reading of the bill it would be out of order to read individual clauses. We will no doubt be repeating all this when we come to a clause by clause discussion in committee.

[Mr. McIlraith.]

Mr. Speaker: The principle which the hon. member states is quite acceptable and well established, but its application is not quite so simple. Here we have a bill which makes three or four main changes, and I do not altogether see how an hon. member can discuss any of the three or four principal amendments without reference in some detail. I must say that the minister, in presenting his argument, avoided any reading of the various sections or even reference to them by number. I hope that as far as possible hon. members will reserve the detailed discussion until we reach the committee stage.

Mr. McIlraith: I accept the point raised by the hon. member. But there are three principles included in this bill, as I read it; they are contained in three particular sections, and I have no way of referring to them other than by way of the clauses in which they are contained. I have no intention of discussing the clauses as such; I am concerned only with the argument as to principle.

This third principle is the one concerning resale price maintenance. The minister stated that he was maintaining the principle of existing legislation; yet in clause 14, as I shall seek to show, he goes a long way, if not the whole of the way, toward totally removing the effectiveness of the present provisions concerning resale price maintenance. I wish to refer to some remarks which I mentioned at the opening of my part in this debate, namely the remarks made by the hon. member for Davenport (Mr. Morton) as they appear at page 4432 of *Hansard*. I notice the hon. member is not here, and I think I should quote him precisely so there may be no confusion. Incidentally, I wish also to refer to remarks made by the hon. member for Parry Sound-Muskoka (Mr. Aiken). I took the precaution of asking the government whip to ask the hon. member to be here, since I intended to refer to what he had said. In any event, the hon. member for Davenport, as appears on page 4432, presented for the consideration of the house a pamphlet which had been put out by the retail businessmen's association. I shall quote only part of the pamphlet. I hope that hon. members who are following the subject will have taken note of the hon. member's remarks, because I do not want to take them out of context. The pamphlet read in part:

> A whopping 94 per cent of retailers who replied to this paper's queries on pricing said they favour a return to manufacturer-enforced retail prices, and 92 per cent agreed the present free for all price system is definitely harmful to business.

Then further down the hon. member in his own words went on to state:

I think that should definitely establish that there is a call, a requirement, by small businessmen for some change; and the change that is being suggested by the government is to try to meet that need.

The hon. member for Parry Sound-Muskoka took part in the debate and at page 4422 of *Hansard* of June 1 he referred to a letter dated April 28, 1960 and quoted from that letter the part relating to resale price maintenance. The hon. gentleman went on to say:

I was pointing out that what these people ask is exactly what is included in this bill.

I remarked earlier that I was very happy to see government members take part in this debate, because I think the participation of these two hon. members shows the importance of government members and opposition members debating a subject of this magnitude. These two hon. members have disclosed what the legislation is intended to do, depending on how you interpret their words. If I were to interpret them exactly as they sound the words of one hon. member at least could be taken to mean that the bill reintroduces resale price maintenance. I do not think he intended to go that far, although his words go that far. In any event that is exactly what clause 14 does.

I would point out that with all the talk there has been about loss leader selling, and so on, there is nothing in this bill that attempts to make loss leader selling illegal or anything of that sort. There is provided by a most indirect and devious route a defence to a man charged with a breach of the existing anti-combines legislation. A man charged on the ground that he is really enforcing resale price maintenance on his retailers can now avail himself of these defences set out in clause 14. This indirect method of doing it has the effect of destroying the legislation as it presently exists. It is quite interesting that the two government members who took part in the debate discussed certain things they thought were offensive, but they quoted excerpts from pamphlets submitted to parliament by private organizations that were attacking the legislation on resale price maintenance and were urging the restoration of that practice. That is what they said the legislation did.

The minister dealt with certain other related subjects and said he had provided in the bill for the subject matter he was discussing, if I interpret him correctly, but the bill does not do anything of the sort. The bill provides certain additional defences to charges of breaches of the existing legislation. Now, if the minister had intended only to deal with certain of these other matters discussed he would, I respectfully submit, have dealt with the matter directly by providing for it in the legislation instead of providing these defences that undermine the whole legislation on this point.

There are some other objectionable principles introduced here. Instead of delineation of the offences, we have merely done it by indirection through providing defences to persons accused of another matter altogether; but we have also done something else. We have really substituted for our traditional method of delineating these offences by parliament and having the courts administer the law, a new method which puts the supplier or wholesaler in a curious position because he is now to be the policeman for his actions. He is to be the court. I ask hon. members who are interested in the subject to consider the significance of the latter part of subclause 5 of clause 14, which states:

Where, in a prosecution under this section, it is proved that the person charged refused or counselled the refusal to sell or supply an article to any other person, no inference unfavourable to the person charged shall be drawn from such evidence if he satisfies the court that he and anyone upon whose report he depended had reasonable cause to believe and did believe—

Then follows a certain list of things. In other words, we are to set up some kind of private policing arrangement run by the supplier whereby, let us say, if a competitive retailer wants to injure his competitors he can get the supplier—and he may be sincere in believing there were breaches of the things enumerated—to say there was a breach. If the supplier believes that he has a good defence to the charge of maintaining prices that we have created by our legislation, he may use that defence. Surely that is an extraordinary way of attacking the whole problem. Surely that is offensive to parliament and a wrong method of dealing with the matter.

I do not want to go into a more technical discussion of the clauses, but I would point out that as I see the bill there are three new main principles introduced. If I am right in interpreting them they all either materially weaken the anti-combines legislation or possibly even wipe it out.

One of the principles is to be found in the provision providing for a setting out of the type of combines that are legal. That is entirely objectionable on two grounds. One, it gives the corporation which have a mind to create combines that are illegal under the act a golden opportunity to get together to further that object under the guise of dealing with these legal combines. The other objection is that it gives the vast majority of corporations which are anxious not to be in that position

and to observe the law carefully no opportunity to be sure whether they are doing so, because there is no provision for dealing with these combines or agreements that are made legal, no registration or anything like that which would enable the director to look at them and accept them if they are not offensive and to police the combines.

There are other objections as well to the new principles introduced. There is, of course, no protection at all for the consumer in the new principle introduced in that clause. Then there is also the clause I have spoken about today, subclause 4 of clause 17. That is a wholly new principle. This legislation was always regarded as within the competence of parliament because it was criminal legislation, and was always supported by penal provisions after criminal prosecution although, it is true, with certain ancillary rights to issue a mandatory order as ancillary to the criminal prosecution.

That whole principle is now violated. A new principle is introduced; that is, there can be an alternative, either criminal prosecution or proceeding by way of information and merely an application for a mandatory order, a prohibitory order, as the case may be. Therefore that principle as a new principle is wholly offensive. Then there is an offshoot of that, the arbitrary power of the minister and the offensive principle of giving the attorney general in each province the right to determine what procedure shall be used, civil or criminal, in these cases.

Then there is this new principle on the subject of resale price maintenance, which effectively destroys the legislation against retail price maintenance which gave the retailers an opportunity to compete and which was, as I think time has shown and certainly as the subsequent investigations have shown, such that there has not been any cause to complain about it, and it certainly has been a great boon to the consumers of this country.

As I see this legislation, Mr. Speaker, it is wholly objectionable because it is wrong in principle. The other point is that it introduces principles—and there are three of them—which are harmful. It is harmful, of course, to the whole approach we have had in this country of trying to control combines which are set up to exploit the public. It is wholly harmful to the interests of consumers, and curiously enough it is wholly harmful to the interests of the retailers, the small businessmen about whom so much was said, and it surely cannot be very satisfactory to the corporations which are seeking to avoid creating any offence and carry on business in the proper way.

For these reasons, Mr. Speaker, as far as I am concerned the legislation should be opposed and destroyed, if possible, before it becomes the law of this country. I do hope that the minister, who is not limited as to time in debate as I am, will seek to deal with the points I have raised.

The hon. member for Greenwood (Mr. Macdonnell) had a question, and I cut him off because I did not want to take up the time at that point.

Mr. Macdonnell: I will ask my question at the committee stage.

Mr. Murray Smith (Winnipeg North): Mr. Speaker, I shall not detain the house for any great length of time, but a few things have been said, particularly by hon. members on the opposition benches, that I feel I must comment on. In my riding I have a great many small businesses and it is my personal opinion that this legislation will help them to a very great extent.

I have read most of the speeches made so far in this debate, and I was particularly interested in those which dealt with the historical aspects of combines or anti-combines legislation. The Minister of Justice gave us a very full and detailed historical dissertation on this subject and the Leader of the Opposition did likewise. I would say that I much prefer the Minister of Justice as a history professor, in view of the two speeches that were given in the house.

The hon. member for Gatineau also dealt at length with the historical aspects. In particular he pointed out that as a result of his efforts in the house there was an investigation into the pulpwood industry which did a great deal of good for people in his constituency. As I understand it, there was a prosecution and his constituents benefited from that prosecution.

But it is interesting to note that a very important chapter was left out by both the Leader of the Opposition and the hon. member for Gatineau. This important chapter centres around the ministers of the crown who were on the treasury benches not so long ago, particularly the last minister of justice, Hon. Mr. Garson. It also centres around a flour case. I believe there was a great deal of debate in the house on that point, and I understand the director of the combines branch resigned. But the hon. member for Gatineau and the Leader of the Opposition chose to leave this important chapter out of the history of the combines legislation. I would certainly hope that at some future date we who were not here at that time can be brought up to date on just exactly what took place.

I note also that the bible of the Liberal party has not been quoted in this debate. I refer in particular to an editorial which appeared in the Winnipeg *Free Press* of May 18 of this year. I am not surprised that this editorial has not been quoted. Indeed, it is one of the vilest editorials I have ever read, and I believe it was written from a completely prejudiced point of view and was not based very much on facts. There is one particular point in this editorial which I hope the Minister of Justice will deal with when he concludes the debate. I think it is an extremely serious charge, and I certainly hope that he will deal at length with this sentence which appears in the editorial:

The Minister of Justice is given authority to suppress an investigation without being answerable to parliament.

I think this is a very serious charge for any responsible newspaper in this country to make.

The Liberal party and the C.C.F. party in the house have said that they are absolutely and completely opposed to this legislation; yet when one reads the speeches that have been made one finds that they are in favour of the consumer, of small business and of big business. They do not realize that this legislation is intended to benefit not only the consumer, to help not only small business but is not intended in any way—nor do I think it will—to criticize, to ridicule or to do anything else to big business. It will in no way persecute it.

I should like to quote some of the reactions to this legislation which have come from those people who are connected and concerned with small business. In particular I should like to quote a telegram which was sent from Ottawa to Mr. E. E. Bimm at Eganville. This is a retail merchants' association dispatch from Ottawa, dated May 7 of this year, and it reads as follows:

R.M.A. dispatch from Ottawa. New measures designed to protect small businessmen introduced in commons today. Legislation retains proposed curbs against misleading price advertising and loss leader selling. The major new provision is a ban against discriminatory promotional allowances and will demand that in every case where a promotional allowance is awarded to one store the same allowance in proportion to purchase must be made to other stores. This would be of immediate benefit to independents. The main provision respecting trade practices are amendments to section 34 and section 412 Criminal Code. It is a momentous week for R.M.A.

This is just one telegram in response to this legislation. It is significant to note that when the bill was introduced last year there was the same response from people connected with small business interests. I refer to a telegram directed to the director of investigation and research of the combines branch, Mr. T. D. MacDonald, from the retail merchants' association of Manitoba. The telegram reads:

Re your letter June 22 I have not received letter May 19. Please forward copy. A million thanks to you and your department for work on new proposed legislation.

We could go through others that were presented. Another such telegram is from J. D. Bastable, president of the Manitoba division of the retail merchants' association, addressed to the Minister of Justice. It is dated June 12, 1959 and reads as follows:

Congratulations and a sincere thank you on behalf of the retailers of Manitoba on your proposed loss leader selling and false advertising legislation.

This in part indicates the reaction of the small business people in our country, and I want to direct my remarks particularly to that segment of our economy. If you look at the briefs that have been presented to the government over the years by the Canadian wholesale council, the retail merchants' association, the tobacco distributors and other segments concerned in the small business operations of the country, you will appreciate the number of people employed by small businesses, the amount of business they do and the service they give to their communities, and you will realize that they have made an exhaustive study of this matter and that every one of their briefs advocates that something must be done with regard to unfair discounts and loss leader selling.

My own experience with small business is a personal one. I was born and raised in a country store, and I know some of the problems that small stores have in meeting the prices of the larger chain stores. I have been in touch with every drug store in my constituency and have called on a great many of the corner grocery stores, and have found that fewer people are employed in these stores as pharmacists, clerks and delivery boys than in 1955, for instance. Their volume of business is greater today than in 1955, but the income tax they pay is lower and the number of people they hire is less simply because they are meeting prices and competing in a field where substantial discounts are given to the larger stores; therefore the prices they pay for their products are often higher than the prices at which other stores are selling them. Not only that, but they are competing against loss leaders as well as big discounts.

I do not believe that any government should interfere to any great extent with commercial operations, but if the world of business will not formulate a code of ethics which will be fair to all then the government must intervene and pass legislation so that the small man

who is at a disadvantage will receive some protection. Would it not be wonderful in this day and age to be able to go into a store and buy a small tube of toothpaste at a regular price? No such thing exists today. The smallest tube of toothpaste you can get is the large size, and it is always sold at a discount. These are practices in our economy that are unfair. They are unfair to the small man, the corner grocer, the family unit that must give credit in order to survive and which thereby provide a service to the community that the larger stores will not give. They provide a delivery service and they are open at all hours of the night.

The plea of the small businessman must be heard, and in my estimation it has been heard in this legislation. I feel that by this legislation the consumer will benefit, the small businessman will be able to survive and big business will not be persecuted in any way. I had hoped that the bill would have been referred to the committee on banking and commerce before now, because in my view representations should be made with respect to the various clauses of the bill by those persons in our country who are concerned with this matter and who have given it exhaustive study.

I am very disappointed at the attitude of both the official opposition and the C.C.F. party. I am extremely disappointed, because while they have taken the attitude that they are all in favour of small business they have not offered very much in the way of constructive ideas. Their remarks have bordered upon repetition and have been the same thing over and over again. They are in favour of small business but against the bill. I should like to see them sit down, study the bill and let it go to the committee where representations can be made. In the end I think they will find that the bill is intended to give and will give the small businessman of this country something he has been advocating for a long time.

Mr. Howard: Would the hon. member for Winnipeg North permit a question before he concludes his remarks?

Mr. Smith (Winnipeg North): Yes.

Mr. Howard: Would the hon. member not agree that if the Minister of Justice had acted with dispatch and introduced the bill in the early part of the session—

The Acting Speaker (Mr. Rea): Order. That is not a question.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to take this opportunity to make a few remarks on this anaemic legislative child which the Minister of Justice has presented to the house for baptism. Before doing so, if I correctly heard the hon. member who has just taken his seat he said that he was born in a country store. This is the first time I have ever heard of a Conservative being born in a country store. I was born in a country bed. However, I thought what he said was very interesting.

I did not have the opportunity to be here last Monday when the Minister of Justice presented the bill to the house, because I was attending the Legion convention in Windsor at the request of a number of delegates of the British Columbia section of the Canadian Legion. However, since returning I have read the minister's speech very carefully. I give him credit for very careful preparation, but in reading his speech I got the impression that while he was presenting this bill to the house and therefore placing it before the jury of the country, he was something like a socialist addressing a Progressive Conservative convention in that he was treading warily.

In dealing with this legislation may I point out that the desire to combine to the advantage of the few and the disadvantage of the many represents, of course, an ancient device and is not something which has arisen while the present government has been in power. You know, Mr. Speaker, I always like to go back into history whenever I am faced with a particular problem. If I have the time I like to read the history of the past in order to appreciate what has happened in the past. I think this is of great assistance in giving consideration to the matters of the moment.

I find, Mr. Speaker, that the first record of a combine is in the Bible. When Esau returned famished from the hunt and went to Jacob to get some food, Jacob had a complete monopoly on the food supply and in order to get a decent meal Esau had to sell his birthright. In reading history I find that people in all nations have been selling their birthright ever since to monopolies and combines in order to get a chance to live.

A second illustration is that of Joseph getting a monopoly of the grain industry in Egypt. The people were starving, and he set the price so high that they spent all their cash buying grain in the first year, and in the second year the poor people of Egypt had to sell all their flocks, cattle and asses in order to live. The same thing has gone on all through history.

I also find that for over 1,000 years the merchants of Tyre and Sidon had a complete monopoly of trade, prices and distribution in the Mediterranean area. If you go into the matter carefully you will find that most of the wars of that time were fought as a result of the greed of these monopolists in

the early days of marketing and merchandising. When we come to the middle ages we find that combines arose then to control the marketing of goods and to control prices and, just after the plague in Great Britain, to control wages. A few people got together in their own interests, which is very natural. When we are dealing with this question we should always say to ourselves, "Let him that is without sin cast the first stone".

I mention these things to indicate what an ancient device this has been, and that it has continued throughout history. People have combined together for their own advantage. Then we come to the situation in the United States in more recent times. We know the history of the early development of industry in the United States involving transportation and the development of natural resources. The whole history is sordid and soiled with illustrations of a few persons getting together, combining and creating a monopoly for their own advantage to the disadvantage of the great majority of the people of the country.

That was what caused a former president of the United States, Teddy Roosevelt, to start his "trust-busting" mission, because they became so vicious in the early part of this century. The legislation that resulted from his efforts had some effect in preventing the further development of the grosser aspects of trusts, combines and monopolies at that time. It was not finally effective because they always find new ways of dealing with the problem of control, as they have done in Canada all through history.

All one needs to do is look at the combines and monopolies formed by the armament manufacturers. A former leader of the Progressive Conservative party, Mr. Drew, in a series of articles in *Maclean's* magazine prior to the second world war termed them "salesmen of death". Just read the history of the armament manufacturers in Europe and in other countries of the world, and you will see how these people got together, combined to get top prices and find markets, and even promoted wars. In the context of that development you have the Krupp armament industry in Germany, which we were told at the end of the war would be taken away from them and given to the German people. But the same people are still in possession, and if the same trend continues that continued prior to the first world war, the same monopoly of these instruments of war, it will result in war again.

What about combines in our country? As the minister mentioned, the first legislative approach to this question was in 1899, I believe.

Mr. Fulton: In 1889.

Mr. Herridge: Yes, in 1889; and it was made under a Conservative government. I give them due credit. There are men of good will in Conservative governments and in Liberal governments. They mean well; they have the best of intentions, but throughout history their best intentions have been defeated because of the mechanics of the system under which we live. I understand the legislation was largely defective and was not utilized to any extent until more complete legislation was passed in the present Combines Investigation Act in 1910.

What do we find in Canada? One of the biggest combines in North America commenced in Canada, namely the Hudson's Bay Company, known as the "gentlemen adventurers trading into the Hudson bay". They were adventurers, all right, but they were not gentlemen. They made their profits largely from robbing the poor natives. I shall never forget some time ago reading a copy of a letter sent by a Hudson's Bay Company factor from Fort Shepphard in my district. It is in the records of the Hudson's Bay Company. In it he wrote to the honourable committee in London and urged them to send out a missionary. He said it would cost about £100 a year to keep him. He said to send out a man who would be very discreet and proper, and who would confine himself to teaching the gospel to the ignorant natives and not criticize the morals of the company's officials or representatives. The committee wrote back to say that £100 was a bit too much to spend on a missionary. He wrote back and said that they had completely overlooked one fact, namely that as we Christianize these ignorant and barbarous natives and convince them of the paganism of their nudity, the way in which they dress, and convince them that they must be clothed in a Christian fashion—when we do that we can obtain the furs of the Columbia region for a few bolts of Manchester cloth. That was monopoly in action again.

I have not the time in which to deal with it now, but we have a record replete with the control of Canadian companies by foreign owned monopolies, and it is increasing every day. Our whole economy is becoming dominated more and more. Various ministers and various officials of the combines investigation branch have tried their best to control the situation. I give credit for the loyal work of the staff of the combines investigation branch under extremely difficult circumstances, with all the big corporations trying to tramp on their feet and so on. There have been numerous investigations which proved

there were combines in the glassware industry, the packing industry, the milling industry, the flour industry, the rubber industry and so on, and in the food industry generally. But regardless of their good work throughout the years their efforts have been largely ineffective. They have not produced results because, regardless of all this work, within the framework of the combines investigation legislation monopoly control of markets, patents and prices is growing stronger and stronger every year.

I might say, Mr. Speaker, that my attention was first focused on the monopoly situation as a result of practices in the fruit industry. I was a director of a co-operative society in the fruit industry shortly after the first world war and on into the 1930's. We discovered that something was wrong—we were nearly all starving—that we were being fleeced right and left by the managers of United States controlled companies that were distributing fruit on the prairies.

I will give you a couple of illustrations in order to show what happens when these people have control over fruit products. This is a typical illustration. I had a neighbour by the name of Sam Hall, a hard-working old gentleman who, before we formed the co-operative and before we had this investigation, started off for Calgary with a carload of McIntosh apples. He arrived in Calgary intending to sell his apples to the jobbers there. One jobber offered him a certain price; I think he offered him $1 a box or $1.25 a box in Calgary. The car was on the siding. He said, "Oh, no, I am not going to sell for that price". He then went to another jobber. He spent two days in going around to six jobbers. The first jobber telephoned to his friends and said, "This man Sam Hall called on me. If we all stick tight together we will get his apples for 70 cents a box and we will split the profit". That is just what happened. Sam Hall was paying demurrage. He was a man who could not afford to stay at an hotel for long, and at the end of the second day he sold his carload of apples for 70 cents and those distributors of fruit shared the profits.

Another friend of mine was determined that he would sell direct to the prairie farmers. He took a carload of apples into Moose Jaw, or out on a spur at some little town close to Moose Jaw. He arrived there on a Friday afternoon and advertised apples for sale directly from the car at a dollar a box. At that price he would have done fairly well. He had 800 boxes in the car. At least he would have obtained enough or the price would have been sufficient so that when he sold his crop he would have had something on which to live. But what happened? The fruit wholesalers in Moose Jaw had him pinched that Friday night for selling fruit without a licence. They had him arrested and brought before the justice of the peace. Then he was told that his case could not be heard until Tuesday morning. In the meantime one big wholesale house in Moose Jaw had a carload of apples shipped to the siding where his car was located, and they offered the apples to the farmers at 75 cents a box off the car. When my friend was tried on Tuesday morning, of course, he was released because he had the right to sell apples. He was the grower of the product he was selling, and under the provincial law at that time he had a perfect right to sell the apples. But in the meantime his market was taken away from him by the sale of these other apples at 75 cents a box. He was therefore obliged to practically give his apples away and return home.

It was as a result of that kind of practice or monopoly that the growers insisted on an investigation into alleged combines in the distribution of fruit and vegetables in 1924. An investigation was held under the Combines Investigation Act. A report was made on February 18, 1925 by the commissioner Mr. Lewis Duncan, who was a prominent lawyer in Toronto at that time. I remember him quite well in this field because I did all I could to help provide evidence from the growers' point of view.

I use these illustrations in order to show what monopolies and combines will do without any consideration for the persons whose livelihood depends upon food production, and without any consideration for the consumer.

I will just read some extracts from a brief letter in this report, because it shows the vileness of these people; and these things are easily forgotten. This letter was written by Mr. G. H. Snow, manager of the Mutual Fruit Company of Vancouver. His name might be Snow but he was far from being white, Mr. Speaker. I just want to read this to bring to the attention of some of the prairie members who are particularly interested in the problems of grain growers the fact that the fruit growers also have their problems, and they are at times very difficult ones indeed. He says:

> We have four men at work in the Hatzic district, including two directors, and we are sure that each one of the four has no idea that the others are wearing our brand. We think it will be quite in order to commit any crime, murder excepted, to land this Hatzic bunch as a unit, on the same basis as Gilland and Tanner. We are proceeding to do this, irrespective of how much it will cost, because once we get them they are ours for keeps. No matter what happens we must use the greatest of

care, in case our plans fall down and the Central operates again in 1924, to see that we still appear to have clean hands when we ask for the deal.

Then later the same gentleman goes on in another letter to say:

As far as we are concerned things are brightening daily on the berry deal. There is a possibility that we will get our views into *Farm and Home*—

That was the farmers' magazine in British Columbia.

—through an advertisement of Gilland's. We will not stand for the ad's going in edited by *Farm and Home* and it will have to go in as we have written it, as we are paying for it. Gilland wants to reach a section of the growers that are strong for co-operation, no matter what the cost.

We believe that we will have the handling of the rhubarb of the Dewdney association this year. This is the crowd that the growers sales had last year. It will amount to from 17 to 20 cars.

The whole of the evidence contained in this book shows the skulduggery of these people who had no regard for the producers and no regard for the consumers. It was as a result of this report that Tree Fruits Limited was formed in British Columbia and the growers' association received a measure of protection under the British Columbia tree fruits marketing act.

Even to this day the great tree fruits organizations or the co-operatives cannot sell to any other co-operative in Alberta, Saskatchewan or Manitoba. And do you know why, Mr. Speaker? It is because the growers have their own brokers but not their own wholesalers, and that is a very expensive business on account of the cold storage costs involved. If a British Columbia grower goes to a co-operative or retailer in Alberta or Saskatchewan, for example, and says, "We would like you to buy from us direct", the possible purchaser will say, "I am sorry, I cannot; because if I buy my apples from you the wholesalers will not supply us with citrus fruits, nuts and oranges, and other things from across the line".

Mr. Speaker, I just mention this to show how the tendency to combine has found expression in our country throughout the years. All through the ages efforts have been made to curb monopolies. As I said before I give the minister and all those who have made efforts in this direction through the Combines Investigation Act and so on full credit, but to date these efforts have on the whole been completely ineffective and unsuccessful.

The practice of monopoly control is an ancient vice with which every civilization to date has had to contend. Because I am dealing with the principle of the problem rather than the details of the bill, with which my colleagues have dealt very fully indeed, I would like to quote from an edict issued by the Emperor Zeno to the praetorian prefect of Constantinople, A.D. 483, to show how the problem was then:

We command that no one may presume to exercise a monopoly of any kind of clothing or of fish or of any other thing serving for food, or for any other use ... nor may any persons combine or agree in unlawful meetings, that different kinds of merchandise may not be sold at a less price than they have agreed upon among themselves. Workmen and contractors for building, and all who practice other professions, and contractors for baths, are entirely prohibited from agreeing together ... and if any one shall presume to practice a monopoly, let his property be forfeited and himself condemned to perpetual exile.

I wish the minister would include that penalty in the Combines Investigation Act; then we would get somewhere. Even the Christian church in the early days spoke out very strongly against usury, that is, monopoly of credit and high interest rates, and the monopoly of the distribution of goods, and it supported price control and regulation. All through the middle ages numerous laws were passed to overcome the effects of combines and monopolies. As I said before, in the United States we had the "trust-busting" campaign of the late president, Theodore Roosevelt, and then in Canada we had the Combines Investigation Act of 1910. While it was effective in a limited way, the record proves that to date under the free enterprise or private ownership system, methods to control the practices of monopolies and combines have been ineffective.

Before proceeding further, Mr. Speaker, I would like to say that I have read with interest the minister's speech, and I am sure he spent a considerable time on it. I noticed the very careful wording on page 4344 of *Hansard* in which he preaches the new conservatism which, on reading it over carefully, sounds like the liberalism of 1910 in Great Britain. The minister said, as reported on page 4344 of *Hansard*:

The basic principle is that a free enterprise system is the system which will yield the highest material standard of living in conjunction with the greatest possible degree of political, economic and social freedom for the individual and that this system of free enterprise will be best maintained through the operation and preservation of active competition between the various sectors of the economy.

I am sure that when the minister says that he believes it, but the trouble is that while he is saying that, and has been preaching free enterprise and the control of monopolies for years, the fact is that every day they have been strengthening their ownership of natural resources and of manufacturing capacity in Canada. These rights are passing into fewer and fewer hands; there is no question about that.

I was also interested in the remarks of the Leader of the Opposition, and in fact I was

a bit startled. As reported on page 4353 of *Hansard* he had this to say:

> We on this side believe that in the circumstances Canada faces today and has faced now for a good many years, a mixed economic system is the most appropriate form of economic organization for the development of our country; a mixed economic system composed of a public sector, a co-operative sector and a private enterprise sector.

By George, I am sure he must have pinched that out of one of our speeches of some time ago. He continued:

> We also believe that the private enterprise sector should be as large but only as large as compatible with the public interest—

That is a typical qualification. You leave yourself in a perfect position to manoeuvre under varying circumstances.

> —and that it should be governed by the competitive rule applied in free markets, having regard, however, as the minister mentioned during his speech, to the changing nature of economic circumstances and the changing nature of economic development.

I want to congratulate, in the first instance, the Leader of the Official Opposition for taking a plank from the C.C.F. platform. If he continues in that direction the only thing he can possibly do is join the C.C.F. party, because we are the only party in this house that has preached the doctrine of the mixed or dual economy. Since I have been in the house this has never been mentioned by a Liberal speaker and used as a plank in the Liberal platform.

Mr. Martin (Essex East): Oh, yes. Mr. Mackenzie King mentioned it many times.

Mr. Herridge: Mr. Mackenzie King, in his usual style, made vague references to this question, but never before has it been stated in such complete form, and in the language used by the C.C.F., as when it was stated by the Leader of the Official Opposition. Indeed, the only thing he could possibly do to give effect to that program would be to come over and ask for membership in the C.C.F. party. I strongly suspect that the hon. gentleman has been very much under the influence of the hon. member for Bonavista-Twillingate (Mr. Pickersgill) and the hon. member for Essex East (Mr. Martin).

An hon. Member: The left wing.

Mr. Herridge: Let me say this, however. Regardless of the statements of these people, under the Liberal and Conservative governments, that is under capitalism—and I am not blaming individuals—monopolists have continued to thrive and expand. Not only that, but they have become more powerful every day. Control of Canadian resources, Canadian banking institutions and Canadian manufacturing has fallen increasingly into fewer and fewer hands.

That is the situation today. In this connection I want to quote from a book by Mr. H. Percy Scott which was published in 1915. The book is entitled "The New Slavery" and its author was dealing with this very question of monopolies, which was at that time of serious concern to governments and to the people. This is what Mr. Scott wrote in 1915:

> There can be no reasonable doubt that the production of food in Canada and the United States is ample to provide all of the inhabitants with plenty at the lowest prices.
>
> The causes commonly alleged for the prevailing high prices will not bear the slightest scrutiny.
>
> The experience of England and France proves that prices can be kept fairly stable where laws against extortion through combines and monopolies prevail.
>
> In Canada, the United States and Germany, where such laws are not enforced, great distress results therefrom.
>
> This is the greatest question of the day and the one most vitally affecting the great body of people that has come up since confederation. As we have seen, there have been many theories regarding it propounded, and views of it have been made from almost every conceivable point of view. These pages will have been written not in vain if they have demonstrated in any measure the folly of neglecting or allowing to fall into abeyance laws affecting the people's rights which have stood the test of centuries.

That was in 1915. Regardless of the good intentions of governments since that day we are still faced with the problem, as is clear from the introduction of amendments by the minister to the Combines Investigation Act. I would say that the proof of the pudding is in the eating, and it is obvious that to date we have had no effective control. Monopoly of political power has been broken by centuries of struggle in the western nations, the result of which has been the development of democracy and parliamentary institutions. However, in the opinion of this group these institutions can become a facade and a sham if economic power becomes the prerogative of only the few. Fascism was the direct result of economic royalists' fear of the people and their wish to perpetuate and extend monopoly control.

As I see it, the world moves in advancing cycles; and I should like the minister to listen to my argument from now on, because I think he may well be in agreement with at least the principles I expound. First we have the political and economic monopolies of the ancient world up to the middle ages. Then we have the competitive spirit of the industrial revolution which soon develop into monopoly control and, to some extent, the restriction of competition. In the middle ages we find public control and the regulation of prices, wages and markets. The doctrine of a fair price and a fair day's wage for a fair day's work was supported by the ancient church according to the principles of the

gospel as they were understood at that time. These principles became part of the canon law of the ancient church and the church in the middle ages, particularly toward the end of the fifteenth century.

Modern industrial nations have passed through a period of industrial expansion with almost complete freedom for monopolists with regard to the ownership of natural resources, the control of patents, prices, markets and so on. No legislation adopted to date, however well intentioned, has provided effective control of monopolies and combines. The disease is still with us, as it was with the ancient Greeks. I suggest that in Canada we are now entering upon a cycle in history that demands legislation which will provide effective control of our economic development by the representatives of the people for the people. I also suggest that the economic doctrine of the canonists of the middle ages—I said "economic doctrine"—finds its modern expression in the policies and programs of the C.C.F., the socialists. That means the Co-operative Commonwealth Federation in Canada.

Mr. Martin (Essex East): Now about to be abandoned.

Mr. Herridge: Fortunate it is for mankind that ideals continue to hold their sway over the human mind from century to century, often new in form though always ancient in spirit. From century to century mankind has demanded recognition of these ideals; people have constantly called for their realization. From the point of view of this group, in view of the particular circumstances existing at present, now is the time for us to give effect to these ideals which have been expressed throughout the centuries by both church and lay authorities.

While we recognize what the minister is hoping to do and provide, we think this bill completely fails to meet the need to assure the development of economic democracy in Canada through the effective control of monopolies and combines, thereby effectively protecting the democratic and political rights of the people.

We are very glad that the bill is to be sent to the committee on banking and commerce. Representatives of this group will take the opportunity of advancing further suggestions at that time with respect to amendments, and so on.

Mr. Fulton: Mr. Speaker—

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

An hon. Member: One o'clock.

Some hon. Members: No.

Hon. E. D. Fulton (Minister of Justice): I have listened with interest to all that has been said by hon. members opposite and by hon. members supporting the government in connection with this bill now before the house. In the minute or two remaining before one o'clock I will suggest that this debate has made it clear who is in favour of helping small business and who is against it. The vote will show that.

Mr. Martin (Essex East): Shear demagoguery. It is a bad bill. It is a bill that protects the privileged.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Fulton: Mr. Speaker, I have listened with interest to all the remarks that have been made in the course of the debate on second reading of this bill. I feel bound to say that some of them—those coming from the opposition, whether the Liberal or the C.C.F. parties—have shown more of emotion leading apparently to misunderstanding than they have shown of reason leading to valid criticism of the legislation.

The field in which the emotion giving rise to the attacks on the bill has been most apparent is that part of the bill which seeks to give a measure of protection to small business against the damaging and unfair competitive practices which are sometimes engaged in by their big competitors. It is for this reason that I said just before one o'clock, and I repeat now, that it appears that the division which, if we are to take at their face value the things which have been said by the opposition we can safely assume will be coming, will show us on which side stand those who are prepared to do something to protect small business and on which side stand those who are prepared to talk about it but when the issue comes up and the opportunity is presented to do something about it, align themselves against small business and in favour of leaving them at the mercy of their large competitors.

Those, of course, are not the only issues in this legislation, but those are the issues in the main upon which the opposition has chosen to take its stand in its criticisms of the legislation. It is a fact that for years the Liberal party when it was in power, and now again in this debate, has shown itself ready to talk about the interests of small

business and in sympathy with their position; but, Mr. Speaker, there is only one way you can protect small business and that is by doing something about it. We have faced that issue. We have brought in legislation designed to do something about it, and now we find that when the opportunity is presented to decide for or against doing something about small business it is clear that the Conservative party and the Conservative government is prepared to do something while those in opposition are prepared only to talk.

Mr. Martin (Essex East): Of course that is not the case.

Mr. Fulton: The hon. member for Essex East says, "Of course that is not the case." But the fact is that the vote will show whether or not that is the case, and if it is not the case I would expect the hon. member to vote in favour of the bill.

Mr. Martin (Essex East): The hon. member is indulging in trickery.

Mr. Howard: The vote will show how some people distort the truth.

Mr. Fulton: I hear words such as "trickery" and "distortion". The criticism of this bill by the opposition has been fraught with trickery and distortion. They have made no attempt to examine the legislation calmly and dispassionately to see what it does. They have been the victims of their own mythology, that mythology which has sought over the years, fortunately unsuccessfully, to demonstrate that the Conservative party is opposed to anti-combines legislation and seeks only to weaken it whereas only the Liberal party has done anything to strengthen anti-combines legislation.

I said that the Liberal party has been unsuccessful in establishing that mythology. I should like to correct that statement. The Liberal party has not been successful in creating that impression throughout the country, but it has been successful apparently in creating a distorted attitude of mind on the part of my hon. friends opposite. This debate has shown all too clearly that my hon. friends opposite, from the Leader of the Opposition down, are the victims of their own mythology. It is because they are the victims of that mythology that they have taken this incorrect and unfortunate stand in connection with this legislation.

It was obvious to anyone listening to the debate that it was the purpose of the opposition from the outset to seek to strengthen the impression to which I have referred—that Conservative governments have consistently sought to weaken anti-combines legislation.

[Mr. Fulton.]

The Leader of the Opposition made a great point of that. That hon. gentleman was obviously irritated by my humble efforts to set the historical record aright—

Mr. Chevrier: The hon. member's effort was humble, all right.

Mr. Bell (Carleton): The hon. gentleman was not even here.

Mr. Chevrier: Yes, I was.

Mr. Fulton: I am always humble, Mr. Speaker. We on this side still remember that we are not a government of supermen as our predecessors believed they were. It was obvious that the Leader of the Opposition was irritated by that attempt of mine to put the historical record before the house in its proper perspective. The hon. gentleman therefore undertook to read me a small lecture in history and of course, bearing in mind that my hon. friend the Leader of the Opposition was an eminent historian before he became a politician, I think in this context I can only say it is obvious that the hon. member is now a better politician than he is a historian, because he repeated the mythological error of the Liberal party that the Conservatives' efforts over the years have been directed to weakening the combines legislation. I therefore feel it is desirable again to give the house a brief review of what are the historical facts in this regard.

I point out again that it was a Conservative government that first introduced anti-combines legislation in Canada and placed the first bill on the statute books in 1889. In 1892 that law was redefined, and it is that law which virtually without change stands today as the central working definition of a combine. It is that definition now found in section 409 and 411 of the Criminal Code under which the great majority of combines prosecutions and convictions have been secured.

It is true that in the legislation enacted in 1892 there was no special machinery provided for investigation or administration, which were left to the ordinary processes of the criminal law.

It is also true that in 1910 the Liberal government introduced a Combines Investigation Act. This bill supplied a special machinery for investigation to supplement the ordinary machinery of criminal investigation, but this act had two important weaknesses especially when you assess it in the light of the present combines legislation. First, it imposed on private citizens the considerable responsibility and expense of initiating investigation; second, it provided no continuity in the administration of the legislation.

It was left to a Conservative government again to remedy those important defects.

In 1919 the Conservative government set up a special committee of the House of Commons, which in turn recommended the improvement of the legislation by the establishment of a permanent board to administer the laws relating to trade combinations and monopolies, and further legislation relating to profiteering and hoarding. As a result, the government of Right Hon. Arthur Meighen introduced legislation known as the board of commerce act and the combines and fair prices act, implementing the recommendations of the committee of the House of Commons. It is true, Mr. Speaker, that the privy council declared some parts of that legislation ultra vires. That declaration related particularly to those parts of the legislation which gave the government power to take direct action by way of controlling the abuses of profiteering and hoarding.

You will recall, Mr. Speaker—again it is necessary to consider the legislation in the light of the economic conditions of the time after world war I, when this legislation was enacted—that profiteering and hoarding were real problems. The Conservative government did not hesitate to deal with them, and the only weakness of the legislation was that it went too far by way of giving direct power to the government to take steps in those fields. It was for those reasons that the legislation was declared ultra vires.

Lest there be any doubt as to whether the Conservative government was prepared to take effective action in this field, Mr. Speaker, I should like to refer the house to the findings in the MacQuarrie committee report. I do this because the Leader of the Opposition sought to belittle this legislation of 1919, and to use it as an example to prove his myth that Conservative governments have traditionally been opposed to anti-combines legislation. I should like to refer my hon. friend to the findings of the MacQuarrie committee, a committee set up by the government of which he was a member. Those findings with regard to the 1919 legislation, as reported on pages 11 and 12 of the MacQuarrie committee report, read:

> The act in its second part prohibited hoarding and profiteering.

This seems to me a strange thing to find in an act which is represented by my hon. friends as something designed to take the teeth out of combines legislation. I continue:

> The board was empowered and directed to inquire into and to restrain and prohibit any breach or non-observance of the act, the making of unfair profits, and all such practices with respect to the holding or disposition of the necessaries of life, as, in the opinion of the board, were calculated to enhance their cost or price.

As I say, Mr. Speaker, that is a queer sort of thing to find in legislation which my hon. friends opposite characterized as a typical attempt of a Conservative government to take the teeth out of combines legislation. The only fault with that legislation was that it went too far in respect of the powers it sought to give to the government to deal with this problem. But here is the other interesting finding of the MacQuarrie committee as contained on page 12 of their report:

> It is to be observed that the legislation overcame two of the principal defects of the act of 1910—

The act of 1910, I may remind the house, was an act of the Liberal government. I continue:

> —namely the absence of a continuing enforcement authority and the initiation of investigations only on the application of interested private individuals.

Therefore you will see, Mr. Speaker, that a reading of history, supplemented in this case by a reading of the report of an impartial committee set up by a Liberal government confirms that the attempts of the Conservative government have been to strengthen and make realistic the anti-combines legislation of Canada. If this is not to be accepted by my hon. friends opposite let me remind them that when in 1923 the Liberal government re-enacted the combines legislation they took almost in their entirety the provisions which had been contained in the act of 1919, to which I have been referring and which were not declared ultra vires, and those additional provisions relating to administration and enforcement of the legislation remain still the basis of that part of the present anti-combines legislation.

My hon. friends, in their distortion of history, attempted to suggest that the legislation of the Bennett government in 1935 was a further attempt to take the teeth out of the combines law. Now, Mr. Speaker, a reading of history and the facts of history establishes that far from that being the case, the legislation introduced in 1935 was an honest and far-reaching attempt to deal with the economic situation of that day; was indeed based upon the report of a parliamentary committee which became a royal commission of that day, a royal commission of which my hon. friend the Leader of the Opposition was secretary, as he himself reminded us. It is a strange thing, Mr. Speaker, to find that on this question my hon. friend is prepared to fall victim to Liberal mythology to the extent that he is now prepared, as a result apparently of his reading of the Winnipeg *Free Press*, to condemn as being opposed to the spirit of combines legislation a bill

which was based upon the findings of a commission of which he himself was secretary, and which was set up—

Mr. Pearson: Since when does a civil servant take responsibility for the acts of a government?

Mr. Fulton: —to deal with the economic situation of that time. The fact is that the legislation actually went too far; but those are the actual facts of the situation, to which the Leader of the Opposition referred in his attempt to justify the Liberal mythology of which he is now a victim.

We now find, Mr. Speaker, that the Conservative government is continuing the process of bringing the anti-combines legislation up to date, making it more realistic and improving its provisions with regard to enforcement, while at the same time seeking to provide for that very important segment of our economy, that segment represented by small business, the legitimate protection to which their position and importance entitle them.

In the course of this debate there have been one or two other evidences of this Liberal mythology to which I think I should refer before I come to deal in detail with what the bill does and what the criticisms of it have been. In his very helpful speech this morning the hon. member for Winnipeg North (Mr. Smith) referred to an example of this type of distortion when he asked me to comment upon an editorial appearing in the Winnipeg *Free Press* dated May 18 of this year. As he pointed out, this editorial contains statements which are so extreme that if proved they would certainly be an absolute condemnation of this government and of the legislation we have introduced. Fortunately, Mr. Speaker, a reading of the editorial is almost sufficient to establish that it is one more in the series of attempts to create a distorted view of history, and to create by what I can only say is a matter of deliberate policy, an attitude of mind toward the Conservative government and toward Conservative policies to serve the political and other interests of that paper, and for no other purpose. The editorial departs so far from the true facts that I can safely say, and do say, that a moment's reflection on the part of any of the editorial staff of the paper would have indicated just how inaccurate and distorted was the version of the facts they are presenting to the public.

I recognize, Mr. Speaker, that with respect to matters of this kind, and with respect to legislation of this kind, there is room for honest difference of opinion. It may therefore be suggested that surely there is room for an honest difference of opinion between myself and the Winnipeg *Free Press* on this point, and I would say that there is room for an honest difference of opinion; although with respect to this editorial, to use the word "honest" would be to give the paper the benefit of the doubt. There may be room for an honest difference of opinion but there is no room for deliberate distortion. I come to the sentence to which my hon. friend referred.

Mr. Pickersgill: Mr. Speaker, I am rising on a point of order. I think it is a well established rule which Your Honour has upheld many times in the house that we should debate with one another across the chamber, but that debates are not to be between editors of newspapers and members of this house.

Mr. Fulton: Mr. Speaker, the editorial has been referred to in the course of the debate, and it and the philosophy behind it have so obviously underlaid the criticisms of the Liberal party in this debate—

Mr. McIlraith: That is not right.

Mr. Fulton: —that I think in referring to it and correcting it I am within the rules of the house. In any event, this sentence and its implication are so important that it does require to be dealt with. The sentence in question is:

The Minister of Justice is given authority—

Mr. Pickersgill: Mr. Speaker, I raised a point of order seriously. I think it is a well established rule that members of the house may not cite editorials about a debate in progress in the house while that debate is in progress.

Mr. Fisher: Mr. Speaker—

Mr. Fulton: On the point or order—

Mr. Speaker: I will hear the hon. member for Port Arthur first.

Mr. Fisher: Mr. Speaker, I have followed the course of the Winnipeg *Free Press* on this whole question as closely, I think, as the minister has, and my interpretation is that there are quite remarkable differences between the *Free Press* and the Leader of the Opposition. Therefore I not only think it is irrelevant for the minister to be attacking the newspaper but that his basic assumptions in his attack are wrong.

Mr. Fulton: Mr. Speaker, on the point of order may I point out that there was one point made by the hon. member for Bonavista-Twillingate which I think requires to be dealt with. If the editorial were dealing with a debate in progress there would be something to the point he has raised, but the editorial appeared in the issue of May

14. It dealt not with a debate in the House of Commons but with legislation that had been introduced in the House of Commons, and was written before the debate had commenced. It is not my understanding of the rule that members of the house are forbidden to comment in debate on inaccurate and misleading things said outside the house, or that members of the government are precluded from commenting in debate on misleading and inaccurate statements about legislation which the government has introduced.

Mr. Speaker: I have not heard anything said by the minister which would seem to support a point of order being raised. There is a rule that editorials reflecting on the conduct of members of the house and what they say or on decisions of the house should not be cited, but it does not seem to me that is what has arisen at this point.

Mr. Pickersgill: With respect, Mr. Speaker, that was not the point of order I raised. The point of order I raised was that it is a well recognized rule of the house that editorials and other things written outside the house about a measure that is before the house may not be cited in the house in connection with a debate which is in progress when they are written; that we are supposed to do our debating in the house and not with parties outside the house.

Mr. Speaker: I think the hon. member is perhaps seeking to apply the rule too strictly. Opinions both pro and con on public matters which are expressed in newspapers are certainly used, and if opinions are expressed it does not seem to me it would be possible to limit any member from taking issue with opinions of that kind.

Mr. Fulton: Mr. Speaker, I think the hon. member for Bonavista-Twillingate has, as usual, confused the rules of the house. The sentence in question to which I want to refer reads as follows:

> The Minister of Justice is given authority to suppress an investigation without being answerable to parliament.

I think this is so important, Mr. Speaker, that it requires to be corrected. The bill does not contain anywhere, nor was it ever the intention that it should, a provision giving the Minister of Justice authority to suppress an investigation. That statement is completely without foundation standing by itself, and it is also without foundation—this is the more serious aspect—because it cannot be supported even by a misunderstanding of anything that is in the bill. Nothing in the bill even comes close to doing what the Winnipeg *Free Press* has alleged in that sentence.

The other distortion contained in that sentence is that the minister can suppress an investigation without being answerable to parliament. By what device this newspaper, whose policies and whose support my hon. friends opposite usually embrace, seems to have found a way in which a minister can do something without being answerable to parliament certainly passes my comprehension. It may be something that the Winnipeg *Free Press* and my hon. friends opposite would like to devise but so far, fortunately, they have not been able to devise a method of accomplishing that end. We have not devised it, and it would never be our intention to devise it.

So, Mr. Speaker, I cannot condemn too strongly the attitude of those people within or outside the house, an attitude that has been revealed inside the house in this debate, who without reference to or proper analysis of what the legislation contains seek to create a distorted impression and to play upon the emotions of those who listen to what they have to say with respect to the contents and the intent of legislation in a way which is so far from being accurate or justified by anything that has been said or done now or in the past that all I can say is that it does call into question the motives of those who write articles of this kind and the motives of those who by their attitude seek to advance the point of view that is contained in such an article.

Mr. McIlraith: Before the minister leaves that point, I wonder whether he would permit a question. Would he agree that clause 17 (4) of the bill gives the minister a discretion to suppress a prosecution under this act without being answerable to parliament?

Mr. Fulton: No, I would not agree for a moment, and I am coming to the argument the hon. member made in that respect in a few moments.

There were other evidences in the debate of an intention, deliberate or accidental, to deal with this legislation not on its merits but in the context of the Liberal mythology. They are almost too numerous to mention, but I want to refer particularly to the attempt made by the hon. member for Hull to suggest that the government and myself did not have in mind the interests of the consumer or the importance of protecting the consumer. Just as an example of this kind of attitude, which takes no account of the facts, may I point out that, as found on page 4391 of *Hansard*, the hon. member for Hull stated that he had noted that I as minister had mentioned the consumer in only two places in the course of my remarks. I find that in

the course of my speech when opening the debate I made at least 10 references to the interests and position of the consumer.

I mention this in part because it was not only the hon. member for Hull who sought to convey this impression but also the Leader of the Opposition. In his opening speech, very shortly after he had begun he sought to convey the same impression although the object he had in mind was so far from the fact.

The inconsistent position taken by the opposition with regard to this legislation is again revealed when one analyses what has been said in the past and what was said here by the Leader of the Opposition. You will recall that I referred to his statement made at the annual meeting of his party to the effect that this government is persecuting big business. I challenged the Leader of the Opposition to produce a single shred of evidence to that effect. He failed to do so. Yet at the same time that he refuses to either withdraw or prove the words he used, that we are persecuting big business, he accuses us of taking all the teeth out of the anti-combines legislation—

Mr. Pearson: Of course I never said that at all.

Mr. Fulton: —for the purpose, as he suggests, of assisting and promoting the interests of big business. Such inconsistency shows the absurdity of the position taken by the opposition with respect to this legislation.

Mr. Pickersgill: Before the minister goes on, would he permit a question?

Mr. Fulton: I am sorry, but I find that I am getting to the end of my time. I will endeavour to deal with questions at the end if there is any time left.

I find that the C.C.F. have fallen victim to the same mythology. As a result the whole opposition attack on this bill has been based on an unsound position. They have deprecated if not ignored the problems of small business. They have misrepresented the intention and effects of the legislation and have exaggerated the difficulties of enforcement. They have failed to take into account the practical advantages of the alternative procedure provided and have beclouded the discussion of this point with allegations based on incomplete understanding, if not indeed on a complete misunderstanding of what the legislation does.

In this connection I could perhaps remind the house briefly of what I said in my opening remarks on Monday of last week as to the effects of the bill. It seeks to do three things. First, it seeks to clarify and consolidate the legislation. Second, it seeks to bring a measure of protection to the legitimate interests of small business. Third, it seeks to make the legislation more flexible in the light of the mid-twentieth century economy, both with respect to what it accomplishes by way of clarification and with respect to the new procedures for enforcement which are provided. Having ignored these objectives of the bill, it is quite understandable that the criticisms made by the opposition would be, as they are in my submission, unfounded and misdirected.

The Leader of the Opposition suggested that all that should be done or that all that requires to be done lies within the scope of administrative changes, and he listed three things. First, he said the government should take care to make sure that the director does not abuse his powers. Second, he said that reports of the commission should contain recommendations for alternative remedies, that is to say remedies alternative to prosecution. Third, he said there should be emphasis upon research in this field in addition to enforcement.

It is interesting to note that two of these three recommendations were contained in the MacQuarrie committee report. That report was brought down some five years before the government of which my hon. friend was a member was dismissed from office. It is therefore interesting to find that, even in spite of that fact, my hon. friend still is suggesting that these are the changes that should be made, and the only changes that should be made. It does not speak very highly of his opinion of what his government was doing during that last five years of office. However, I can assure him that in so far as the administrative changes are concerned, we take them seriously. In concert with the responsible officials, I have taken steps to see that these administrative improvements have been given proper emphasis.

The hon. member for Ottawa West made a number of detailed criticisms which related directly to the bill. He accused us of introducing three new principles which he described as damaging to the content of the legislation. But while, under the heading of these three new principles, he dealt with certain objectives of the bill, in my submission he succeeded again in distorting and misstating the nature and effect of these three things which we have done.

First, with regard to combines themselves, he said we are introducing a principle which makes certain combines legal. Mr. Speaker, this is a completely inaccurate statement and represents a misunderstanding of what the legislation does. What the legislation does in

this respect is to clarify the law with regard to what things may be done by business which are not harmful and what may not be done which are still harmful. All that is done in this respect is to make it clear that if the activities relate only to one or more of the six purposes set out in the legislation, then it is clear that there will be no danger of prosecution or conviction.

There is nothing new in this situation. If the activities of a business were at any time confined wholly to these objectives, it is my advice from the legal advisers that this would not have constituted an offence. But we have been told—and it has been submitted to us most seriously by business—that they are not certain about the matter; that the law and the cases seem to extend the combines legislation so far that they do not dare carry on even these beneficial practices without which I think it is incontrovertible that our society suffers. The legislation therefore does not make a combine legal. It merely establishes that certain things can be done and that if these things, and these things alone, are done, then the activity does not come within the definition of a combination.

Then my hon. friend suggested that we have imported a new principle with regard to procedures for prosecution, that we have in effect created a new civil procedure as an alternative and that this is potentially damaging to the substance of the legislation itself. May I point out to the hon. member that the change in this respect is merely in the procedural law, not the substantive law. Even if he were correct—something which I do not accept—then all that would happen is that this new procedure would not be open to us to follow; I refer to this procedure for enforcement of the law. The law itself would not be affected, but only the procedure by which we seek to enforce it. Since, as he himself points out, it is an alternative procedure it would, even if he is correct, in no sense have weakened or detracted from the present power to enforce the legislation as it exists.

Second, he objected because the right to determine whether to proceed by way of prosecution or information is vested in the Minister of Justice. I do not know by what other method you could bring about this change in procedure. Somebody has to make up his mind as to what procedure will be adopted. In a complicated law of this type I am aware of any other way by which such a decision could be made. I should like, however, to point out to the hon. gentleman, in connection with his criticism of this new type of procedure, that it is recommended in the MacQuarrie committee report at page 40. May I read the relevant section to him. It is as follows:

> The use of a judicial restraining order has been suggested from time to time as a promising addition to remedies. It would be of marked service in certain types of situation, of which the incipient combine, questioned practices in the twilight zone between competition and monopoly where the law is unsettled and the operations of the single-firm monopoly are illustrations. The analogy of the American injunction suggests itself. In the United States it has been widely used and found of value. Especially when employed in the framing of consent decrees it reaches situations where criminal prosecution may be ineffective or unsuitable, and introduces a useful element of flexibility into the administration of the legislation.

I think on reflection, Mr. Speaker, my hon. friend will agree with me that the MacQuarrie committee recommendations are well founded and are carried into effect in the new provisions of the legislation contained in the bill before the house.

Mr. McIlraith: Just on that point I should like to ask a question. Perhaps the minister would like to leave my question until the conclusion of his remarks. I have a question I should like to ask by way of clarification of the point he has just raised.

Mr. Fulton: I am just concluding this part of my remarks. Possibly I shall have time to deal with questions at their conclusion.

I think it is essential that we bring our minds back to a consideration of what the bill does. It does three things. It clarifies the law and, by clarification of the law, it seeks to make clear that certain practices beneficial to the economy and to the consumer may be carried on by business. It does this because we believe that in the mid-twentieth century, and in the type of competitive economy in which we exist, it is essential to encourage business to do those things which it can do without damage to the economy and which, if done, will produce positive benefits to the economy and to the consumers of Canada domestically, and will enable business to compete more effectively in international markets. I doubt if my hon. friends would quarrel with that objective. I only ask them to look at the bill to see if in fact they do not agree, when they look at it dispassionately, that it accomplishes that objective.

Second, it provides a means whereby small business can be protected against the unfair economic practices of their large competitors and particularly against the loss leader device. In this regard I ask my hon. friends to look at what the MacQuarrie committee report itself says and see how it categorizes the loss leader practice.

Third, it is designed to give a more flexible procedure for enforcement of the law thus, I

suggest to you, sir, making the combines law not weaker but more effective by providing a means of enforcement which can be suited to the type and nature of the offence, providing any administration, whether this or a succeeding administration, with a more readily enforceable piece of legislation.

Looked at in this light; accomplishing, as I submit to the house it does, these objectives, it seems to me that anyone who has the interests of the Canadian consumer, the Canadian economy and particularly that section of our economy represented by small business, at heart cannot, if he honestly desires to advance their objectives, do other than vote in favour of the bill.

Mr. McIlraith: Before the minister concludes his argument might I put the question to him which I had in mind. The part of the MacQuarrie committee report which he quoted is entitled "Supplementary judicial remedies". The point of my argument was that by clause 17 (4) an alternative remedy to criminal prosecution was provided rather than a supplementary remedy. Would the minister explain to the house the difference between the bill and what the MacQuarrie committee report says at page 40 when it uses the term "supplementary or additional remedy"?

Mr. Fulton: In that regard I can only say that the decision will be made as to the more appropriate method of procedure. If it is felt that the proper procedure is a criminal prosecution, which can be combined with an order for dissolution, that course will be followed. If, because of one or other of the situations envisaged in the MacQuarrie committee report at page 40, which I have read, it seems that the injunctive procedure alone is the desirable one, then that course will be followed. So in my submission we have in fact given effect to the MacQuarrie committee recommendation in the legislation before the house.

The house divided on the motion (Mr. Fulton) which was agreed to on the following division:

YEAS

Messrs:

Balcer	Cathers
Baldwin	Chambers
Baskin	Charlton
Beech	Chown
Bell (Carleton)	Churchill
Bell (Saint John-Albert)	Comtois
Bourdages	Creaghan
Broome	Crouse
Browne (St. John's West)	Danforth
Browne (Vancouver-Kingsway)	Dinsdale
Brunsden	Doucett
Cardiff	Drysdale
English	Dubois
Fairclough, Mrs.	More
Fane	Nesbitt
Fleming (Eglinton)	Nielsen
Fleming (Okanagan-Revelstoke)	Nugent
Forbes	O'Hurley
Frechette	Ormiston
Fulton	Pallett
Gillet	Pascoe
Grafftey	Paul
Green	Payne
Grills	Pearkes
Gundlock	Phillips
Hanbidge	Pugh
Harkness	Rapp
Henderson	Richard (Kamouraska)
Hicks	Rogers
Horner (Acadia)	Sevigny
Horner (Jasper-Edson)	Simpson
Jung	Skoreyko
Keays	Slogan
Kindt	Small
Kucherepa	Smallwood
Lambert	Smith (Calgary South)
Macdonald (Kings)	Smith (Lincoln)
Macdonnell	Smith (Winnipeg North)
MacLean (Queens)	Speakman
Macquarrie	Spencer
McBain	Stefanson
McFarlane	Tassé
McGee	Taylor
McGrath	Thomas
McLennan	Thrasher
McPhillips	Villeneuve
Matthews	Walker
Monteith (Perth)	Webb
	Weichel
	Wratten—98.

NAYS

Messrs:

Badanai	McIlraith
Batten	McMillan
Benidickson	Martin (Essex East)
Bourque	Nixon
Caron	Pearson
Carter	Peters
Chevrier	Pickersgill
Fisher	Tardif
Herridge	Tucker—19.
Howard	

Motion agreed to and bill read the second time.

Mr. Fulton: Mr. Speaker, in accordance with the indication I gave to the house as to our intention to refer the bill to a committee, I move, seconded by my colleague the hon. member for Perth (Mr. Monteith) that the said bill be referred to the standing committee on banking and commerce.

Motion agreed to and bill referred to the standing committee on banking and commerce.

OLD AGE SECURITY ACT

AMENDMENT RESPECTING PAYMENT OF PENSION DURING ABSENCE FROM CANADA

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. C-63, to amend the Old Age Security Act.

He said: Mr. Speaker, when the resolution preceding this present bill was before the committee I gave a detailed statement of the background of the problem and of the reasons which prompted the government to recommend to the house these present amendments. I also gave an outline of the nature of these amendments and of the effects which they would have in permitting all pensioners who leave Canada to continue to receive their pension for a minimum period of six months, as well as making it possible for the vast majority of pensioners who leave Canada to continue to receive their pensions for an indefinite period of time.

I do not propose to repeat all that I said in the course of my statement on the resolution, but I might perhaps repeat the four main effects of the present legislation:

1. By repealing section 5 (1) of the present Old Age Security Act these new amendments will do away with the requirement that an old age security pension must be suspended when a pensioner absents himself from Canada for a period in excess of one month. Henceforth, no recipient of old age security will have his pension suspended when he leaves Canada.

2. The new section 5(1), contained in clause 1 of the amending bill, will substitute for the present provision—requiring immediate suspension of pension—a new procedure which will in effect permit pension payments to be continued in all cases of departure from Canada for a minimum period of six full months of absence in addition to the month in which the pensioner leaves Canada. This new provision will apply to all pensioners who leave Canada regardless of the length of their previous residence in the country.

3. The new section 5(1) will also provide that in the case of pensioners who have resided in Canada 25 years or more after their 21st birthday there will be no limit whatever on the length of the period during which they may continue to receive their pensions outside of Canada.

4. Only in the case of pensioners who have less than 25 years' residence in Canada following their 21st birthday will the six-month limit to which I have already referred have any effect. Such persons, instead of having their pensions suspended as soon as they leave Canada—which is the requirement under the present law—will receive their pension cheques in the normal way for the month of their departure and will continue to have their pension cheques mailed to them wherever they may be outside of Canada for a further period of absence up to a maximum of six consecutive months in addition to the actual month of their departure. If, in the seventh month following the month of their departure, they return to Canada their pension payment will be paid as usual and will be continued thereafter without any interruption whatever. In the event, however, that they do not return to Canada before the end of the seventh month following the month of their departure pension payments will be suspended and will be resumed only with effect from the month in which they actually return.

I have already explained in my statement on the resolution why it is that the government considers that a distinction should be made between the periods of absence permitted in the case of those individuals with long periods of residence in Canada and the somewhat shorter period of absence permitted in the case of those who have relatively short periods of residence in the country. Both groups of pensioners—those with shorter periods of residence, as well as those with longer periods—will receive substantially more generous treatment than is possible under the present legislation, but no limits of any kind will be placed on the periods of absence permitted to those pensioners who have resided in Canada for at least 25 years after attaining their 21st birthday.

I feel confident that the principles which the government has recommended for inclusion in the legislation will commend themselves generally to the members of the house.

Some question may be raised as to the reason why the period of 25 years has been stipulated, and I think I can explain this by pointing out that this period represents approximately one half of what might normally be regarded as an individual's active working life between the time when he attains his majority and the time when he reaches the age of 70 years which the Old Age Security Act assumes to be the point of full retirement.

I might also say a word about the purpose of the supplementary provisions contained in clauses 2 and 3 of the amending legislation. In clause 2 we are concerned with the position of pensioners who may be absent from Canada on the day when the amending legislation comes into effect and who if they return to Canada within the time limits specified by section 5(1) of the present legislation would be entitled to pick up certain retroactive payments for the months during which they had been absent.

If clause 2 of the amending bill were not included there might be some doubt as to the position of these returning pensioners with respect to the retroactive payments to which they are entitled under the present

legislation. We wish to make it absolutely clear through clause 2 of the amending bill that returning pensioners will be fully protected with respect to any retroactive payments that they might have been entitled to pick up, covering the months of their absence, under the existing legislation.

Clause 3 of the amending bill is also transitional in character and is designed to cover the position of a pensioner who is out of Canada at the time when the new legislation becomes effective, and who continues to remain outside of Canada for a further period following the passage of the new legislation. Any such individuals who have the required 25 years' residence in Canada following their 21st birthday may, without returning to Canada, make application to have their pension payments resumed, and if found to be eligible for such resumption of payments they will be reinstated with effect from the first day of the month when the amending legislation comes into force.

No time limit is set in the making of such application. It does not matter whether such a pensioner files his application in the month following the passage of the legislation or six months later or a year later. In all cases, the applicant, if found to be eligible for reinstatement, will be reinstated with effect from the month in which the new legislation comes into force.

I might mention in this connection that there is no provision in the amending bill specifying the date upon which the new legislation becomes effective, or providing that the legislation shall become effective only upon proclamation. In consequence it will be clear that the amending legislation will come into force on the day when it receives royal assent.

It will be noted that the provision contained in clause 3 of the amending bill applies only to those pensioners who are outside of Canada on the day when the act comes into effect and who can establish that at the time they left Canada they had resided in Canada at least 25 years after reaching the age of 21.

Of course, it may well be asked, what happens in the case of a pensioner with fewer than 25 years of residence in Canada after his 21st birthday who happens to be absent from Canada on the day when this new act comes into force? Such a pensioner will not, of course, be entitled to apply for reinstatement of his pension in absentia but when he returns to Canada clause 2 of the amending legislation will apply and he will receive any pension payments in respect of the period of his absence which he would have been entitled to receive under the provisions of the existing legislation.

I think I should perhaps leave to the committee stage of the bill any further explanations which might be required with respect to the more detailed provisions of the various clauses, as well as any explanations which might be desired with respect to the more detailed procedures we propose to put into effect in the actual administration of the new provisions.

It will be appreciated that the old age security administration will now for the first time be faced with the requirement of sending old age security payments outside of Canada to persons who may move to any other country in the world. This will present a number of new problems to the administration, but fortunately we will be able to call upon the experience of other branches of the government service which have already had to deal with this problem. I might mention in this connection the annuities branch of the Department of Labour, the Canadian pension commission, the superannuation branch of the Department of Finance, all of which have had a considerable experience in issuing payments of one kind or another to beneficiaries in other countries.

It is not expected that the problems to be faced by the old age security administration will be in any important respects different from those which have already been successfully handled by the agencies to which I have referred. It is, of course, true that the volume of payments to old age security pensioners outside of Canada is likely to be substantially greater than in the other programs which I have mentioned.

While it is difficult to estimate for the years ahead the extent to which this amendment will result in increased expenditures, on the basis of experience to date it would appear that the cost in the initial years may be of the order of $2 million or $3 million annually.

In the discussion of the resolution the hon. member for Cartier (Mr. Crestohl) raised the question of proof of age. His complimentary comments concerning the sympathetic understanding with which this matter has been dealt is appreciated and I can assure him that this practice will continue. He also mentioned the question of proof of residence in determining the 25 years of residence and asked whether 25 years would have to be a continuous period. As he will note, now that he has the proposed amendment before him, it only requires that a pensioner has resided in Canada for 25 years after attaining the age of 21 years. In other words, it is not necessary for the 25 years to be a continuous period of time.

If this amendment receives approval it will, of course, be necessary to amend the regulations under the Old Age Security Act to take

into account this change. While consideration of the regulations must await the passage of this amendment, it would be my hope and expectation that the approach to be followed would be consistent with the existing regulations relating to residence provisions for the purpose of qualifying for pension. For example, present regulations provide for continuation of residence in special cases such as for members of the armed forces when they have to spend part of their service outside of Canada; also, there is provision for periods of temporary absence prior to application which are deemed not to interrupt residence. Considerations such as these would have to be taken into account when the regulations are being amended with respect to the 25-year residence requirement after age 21.

Hon. Paul Martin (Essex East): Mr. Speaker, as the minister mentioned when the resolution relating to this bill was introduced in the house, there was some discussion about the basic principles involved in the amendments, the full details of which have now been exposed.

I have listened with care to what the minister said and while he was speaking I followed the text of his remarks when he presented those amendments on the resolution stage. I am not aware that he has added very much to the general statement that he made on that occasion. The reaction that one has to what the minister said is consistent with the position which we took when this matter was first presented. We are in support of this bill but, as we said on the resolution stage, in the light of the experience which we have acquired since the Old Age Security Act was first placed on our statute books, we submit the government is warranted in going much farther than this particular legislation does. The position taken by hon. members opposite when they sat on this side of the house was such as to warrant this bill going much farther than it does. In order to be consistent with the assurances and the demands made by hon. members opposite, this bill should not have the exceptions that are provided for in the explanatory statement of the minister.

When he presented the resolution the minister said, as reported at page 4057 of *Hansard*:

> It seems to me, and it seems to my colleagues in the government, that while the right of a retired person to carry his old age security benefit with him wherever he goes should be recognized in principle and should be clearly enshrined in the law, it should at the same time be coupled with the principle that to qualify for such a lifetime benefit an individual should have contributed over a substantial period of years to the development of this nation and to the provision of those tax revenues which are required for the maintenance of government and services in this country, as well as the stability of the old age security fund itself.

I would remind the minister that the position taken by those who sat opposite was not so extended as the remarks just quoted indicate. The position formerly taken was that there was a right of a retired person, regardless of the length of residence in Canada, once he has become entitled to the benefit to carry his old age security benefit with him wherever he went. That was the principle established by hon. gentlemen opposite, and particularly by the Prime Minister (Mr. Diefenbaker). They asked, what right did the government of the day have to restrict any individual, who having earned a pension as a matter of right, from receiving his pension when he left the country?

That was the argument made in this house and the argument addressed by hon. gentlemen to the people of Canada. There are thousands of individuals in Canada who will not benefit from the bill and who were given the solemn assurance that if this government came into office they could leave the country without losing their right to receive their pension under the Old Age Security Act.

Mr. Brunsden: They may for six months.

Mr. Martin (Essex East): This bill does not do what hon. gentlemen and the Prime Minister in particular said.

Mr. Monteith (Perth): Where did he say it?

Mr. Martin (Essex East): He said it all over the country.

Mr. Monteith (Perth): Give me a quotation.

Mr. Martin (Essex East): Hon. gentlemen do not like this, but we will establish not only what the Prime Minister but also what other hon. gentlemen said. They said that people had won the right to this pension as a result of their hard work and they should not be faced with the restriction provided by the legislation, of which this is a part.

The minister said the other night that the position originally taken by the administration that introduced this act was a wise one, that it was wise to be cautious and await the results of experience.

Mr. Brunsden: Is that not still true?

Mr. Martin (Essex East): He said that it was as a result of that desirable attitude that the government now is going part way. All I say is that if in the light of the experience we have had since the establishment of the Old Age Security Act we are right and justified in saying that any pensioner who has resided in Canada 25 years

or more after having attained his 21st birthday will be entitled under the law to a continuation of his pension payments during the entire period of his absence from Canada —I believe that it is right and that is why I support the bill—what justification is there for saying to an individual who has lived in Canada 20 years after his 21st birthday that if he leaves the country for one reason or another he cannot carry with him the pension which he has obtained as a matter of right, having reached the age of 70 years?

I am sure the minister has not given us any satisfactory reason for the fact that the individual who has spent the period I mentioned in this country is going to be denied a right under this legislation that will be accorded to one who has spent 25 years after his 21st birthday. It would be interesting to know from the minister the number of people who have spent 20 years in Canada after their 21st birthday. My recollection of the statistics which the minister now has in his portfolio is that it is a very substantial number, as great if no greater than the number who have spent 25 years in the country after their 21st birthday.

The minister has not given a satisfactory explanation for the arbitrary cut-off. If the argument is sound for those who have spent 25 years in the country then I say it is equally sound for other categories. It will be found that the number who have spent less than 15 years after their 21st birthday is relatively insignificant and the charge on the treasury could not possibly warrant the position that the government takes. Now that we have had experience I say that the government is wise in taking this action. I support the reasons given by the minister for bringing in this amendment with regard to those who have spent 25 years in the country after their 21st birthday but I am not satisfied with the reason for not extending the same provision to other groups.

It should not be overlooked that the present act provides for absences in the months of October, November and December in one calendar year and in January, February and March in another calendar year without occasioning loss of the pension. That is something that has been forgotten.

Mr. Monteith (Perth): Who was it that brought it up to six months?

Mr. Martin (Essex East): The minister is there to do some worth-while things, as he himself said.

Mr. Speakman: And he surely has after years of nothing being done.

Mr. Martin (Essex East): My hon. friend says "after years of nothing being done".

[Mr. Martin (Essex East).]

This particular measure is an amendment of the Old Age Security Act, the only act of its kind which eliminated the means test, and it was introduced by the former government. As a matter of fact, the only legislation my hon. friends have ever brought into the house in the field of social welfare—

Mr. Monteith (Perth): Completely wrong.

Mr. Martin (Essex East): —has always been by way of amendment to acts introduced by governments under either Mr. St. Laurent or the late Right Hon. William Lyon Mackenzie King. We have yet to see one single social measure introduced by the government that has not represented an amendment of something that was basically provided for by a Liberal government.

Mr. Spencer: We have not been in office for 22 years.

Mr. Martin (Essex East): They were 22 of the best years in the history of this country.

Mr. Speaker: Order. Hon. members are diverting the hon. member who has the floor from the main argument. I hope they will allow him to make his speech uninterrupted.

Mr. Martin (Essex East): Mr. Speaker, I am not one who regrets that kind of diversion because it always affords one the opportunity of putting on the record facts which hon. gentlemen have so readily forgotten. The bill, however, should not be interpreted as justifying the government's failure to go much further in the field of old age security. This should be an opportunity for the minister to explain to the house carefully and responsibly whether he proposes to allow dust to gather in greater and greater quantity on the Clark report. That was a very serious study. We were told by the Prime Minister that there could be no delay in making that study and the inference was clear that there could be no delay in implementing any of the conclusions, explicit or implicit, in whatever assessment was made. Why does the minister not take the house into his confidence? Are we going to have alongside the present old age security system, in part based on the principle of contribution—

Mr. Monteith (Perth): Mr. Speaker, is this in order? I am not saying it is not. I am just looking for information.

Mr. Chevrier: You should not interrupt. You read your whole speech a while ago.

Mr. Monteith (Perth): My speech was completely in order.

Mr. Deputy Speaker: I think it was indicated at the resolution stage that discussion of the Clark report was not in order on the present bill.

Mr. Martin (Essex East): Mr. Speaker, in that context your memory may be more accurate than mine but I do not recall that that was the situation. In any event, the minister has told us that this bill is going to result in an additional cost of two or three million dollars. We had always understood that the cost of this provision would be much higher, but surely one should be allowed to suggest to the government that supplementary to these provisions some indication of what action is contemplated by the government should be given with regard to the matter of the old age survivor system which commended itself so much to the Prime Minister. I simply say to the minister that if he believes the people of Canada are going to be satisfied with further delay, particularly delay that brings the proposal involved in the Clark report to the period of the next general election, he will find that will not make the impression which that particular timing is intended to have.

The minister should not hesitate to tell us whether he believes that the United States system is possible for Canada. He should not hesitate to tell us whether he agrees with the all-party committee so ably represented at that time by the Minister of Finance (Mr. Fleming). We should know whether or not, in making these extensions, we are to have introduced by this government the old age security provisions that are incorporated in the old age security laws of the United States. Those laws commended themselves to hon. gentlemen opposite. This continuous delay, postponing or allowing dust to gather, is simply an indication that those were measures designed not to provide further assistance to the aged of our country but to enable the government in 1958 to capture more support from the Canadian people by promises that were made with no real intention to implement them.

An hon. Member: Ridiculous.

Mr. Frank Howard (Skeena): Mr. Speaker, I should much prefer to rise in order to debate a bill which had in it some provision that would increase the present low and inadequate old age pension. However, I expect I may be obliged to wait for that occasion until just before the next federal election is called. In any event, I rise to indicate, in my way, the attitude of the C.C.F. which coincides somewhat with that expressed by the hon. member for Essex East (Mr. Martin) who has just resumed his seat. I should also like to point out that if the hon. member for Essex East had been as assiduous when he was in office as he is today we might not be taking up the time of the house in debating this measure. However, as I have stated many times, it is surprising how stimulating defeat at the polls is to the imagination and to the desire to do things in behalf of the citizens of this country.

An hon. Member: Besides, there is no responsibility.

Mr. Howard: My hon. friend says, "Besides, there is no responsibility". If it comes to the question of responsibility, I assume that we can use that word and connect it with the responsibility of the present Minister of National Health and Welfare (Mr. Monteith) and say that he is shirking his responsibility to the aged citizens by bringing in legislation drafted in the manner in which this legislation is drafted. That statement does not imply that we intend to oppose it as such but merely to point out that there are some discriminatory features in it. The government, no matter how it may try, cannot quite get over that hurdle of wanting to set up two classes of citizens, and that is precisely what this particular bill does.

On the one hand under this government a few years ago—I believe it was during the 1957-58 session; although I stand to be corrected there, I believe it was at that time—the qualifying period of 20 years was reduced to 10 years and at that time, in passing legislation sponsored by the government, parliament decided that after 10 years a person in Canada would have obtained an equity in the pension fund that would entitle him to a pension. Surely the Minister of National Health and Welfare should have, toward these people who have attained that equity after a period of 10 years, that sense of responsibility to ensure that in this particular bill they also retain that equity if they happen to move outside the country and live somewhere else, instead of setting up at least two different classes of old age pensioners. One is the group of old age pensioners who remain in Canada and continue to receive their pension after they have established their equity in it through the 10-year clause. Another class consists of those who, if they want to move back to the old country from which they came, whatever that country might be, in order to live their last years with their relatives, will find that they must have lived in Canada for 25 years since their 21st birthday in order to continue to receive the pension during the time they are away if that absence is for more than six months.

I cannot understand why this particular discrimination must be placed in this particular bill. The minister made some reference to the fact that 25 years is considered to be the half-way point in a person's working life between the time he reaches the age of 21 and the time at which the Old Age Security

Act presumes that he should be retired. That may be precisely what it means, although there does not appear to be any logical reason why this pension outside of Canada, if the pensioner chooses to live in the country of his or her origin with his or her relatives, should be tied to that consideration.

I do not intend to make remarks going much beyond that point, Mr. Speaker. The opinion of this group has been expressed; it was expressed by the hon. member for Timmins (Mr. Martin) during the debate on the resolution preceding this particular bill. I should like to point out that we should like to see presented a bill which would be non-discriminatory and would allow for the pension to be received by and payable to a person once he obtained an equity in the pension fund, whether he continues to live in Canada or whether he wants to move to some other country.

There is a method whereby pensioners are able to obtain their pensions right at the moment—and I am sure that pensioners will continue to use this procedure for obtaining their pension—while they live outside the country. The procedure is a simple one, and I do not blame the old age pensioners for resorting to it. As I say, I think they will continue to resort to it. I am sure the minister knows of this arrangement whereby pensioners living outside of Canada beyond the prescribed time at the moment are able to continue to receive their old age pensions. The system is extremely simple if the pensioner has relatives or friends living here and it is this. The relatives or friends in Canada merely send to him, if he is living outside of Canada, the money in either cash or money order form an amount equal to the amount of the pension cheque and send the pension cheque along to the old age pensioner who is living outside the country. The pensioner gets the cash that is sent to him, signs the pension cheque, sends it back again, someone in this country endorses it or re-endorses it and cashes it accordingly. That system is in effect. It is being used and I am sure it will continue to be used. As I said, I do not blame the pensioner one bit because by law we have said that he has obtained a certain equity in the pension fund after a certain number of years. As a result he feels—and justly so—that if the law says he obtains that equity after 10 years, he is entitled to the pension just as a person feels entitled to a pension on any other sort of contributory basis with some private organization.

I certainly would recommend to the government, even at this late stage of the proceedings on this type of proposed legislation, that they undertake to consider—and perhaps at the committee stage the minister or more correctly one of his colleagues will undertake to move it—an amendment to the proposed new subsection 1 of section 5 which would make it completely equitable all across the board to pensioners, whether they live in Canada or whether they choose to live in some other country.

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, like the hon. member for Essex East (Mr. Martin), it is my intention to vote for this bill. I listened with a great deal of interest to the hon. member. He sought to take credit for the initiation of this legislation. So far as I am concerned I am not a bit interested in the initiation of it; I am more interested in the old age pensioners.

It does seem to me that in this debate to date, apart from the minister's introductory remarks, we have lost sight of the pensioner. It is true that the preceding government initiated the legislation. It is also true that it took a humanitarian Conservative government to lift the level to the point where the old age pensioner could live. I can think back to dozens of cases in my home constituency where $40 a month, perhaps $80 a month for an old gentleman and an old lady, almost meant starvation, and it took this government to make it possible for them to enjoy a few of the amenities of life.

Let me say to you, sir, that with respect to the six months clause we have a large number of elderly people in western Canada who for reasons of health are required to go south during the winter months. The hon. member for Essex East intimated that this type of legislation was progressive. Of course it is, and here we are progressing. These persons who require the Arizona air or the Californian air during the hard winters of the west are now free to go in good conscience and receive their pensions without any blush on their faces.

My colleague, the hon. member for Skeena (Mr. Howard), indicated a method by which they might have done that before. That method is not acceptable to all Canadians, thank God. It has taken this government to regularize the procedure and make it an honest one.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I am very pleased that the minister has brought in this measure. There is one question I should like to ask him which he might be able to answer when he replies at the close of this debate, and it is this. If a pensioner has 23 years' residence in Canada and then at the age of 70 draws a pension for another two years, does that give the pensioner 25 years' residence in Canada and therefore make him eligible to leave the

country at the age of 72 or 73 and take advantage of this change in rules?

I have made many speeches in Vancouver and throughout British Columbia last year forecasting this legislation. It is in line with the philosophy of this government; I think it is a wonderful piece of legislation and I wish to compliment the minister on bringing it in.

Mr. W. C. Henderson (Cariboo): Mr. Speaker, I should like to voice my opinion. I am pleased at this legislation because the people in the north country like to get away in the winter. They love the warmth, and now they can stay six months and can stay for a year if they get their pay. I am all for this legislation.

Mr. Deputy Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, might I first of all voice my appreciation to the hon. member for Cariboo (Mr. Henderson) for his support of this measure.

In answer to the hon. member for Vancouver South (Mr. Broome), at the age of 72 or 73, as the case may be, a pensioner would be able to take his pension out of the country. The bill says "25 years after the age of 21".

The hon. member for Essex East (Mr. Martin) endeavoured as well as he could to confuse the issue. He indicated various words which have been said by the Prime Minister (Mr. Diefenbaker) in the past, but he refused to quote him direct. It was just something out of the air that the hon. member was supposed to have inferred. He criticized us, while intending to vote for the measure, for making the period 25 years or more after the age of 21 and says "Why not 20 years?"

The hon. member for Skeena (Mr. Howard) went further, and I think his words were "whenever he obtained equity". I do not suppose that real equity has been obtained in any pension as yet due to the fact that the taxes allocated to this particular pension fund have only been paid for a limited number of years. In my remarks at the resolution stage I indicated that the feeling was that they had obtained some equity, and there is no doubt that they have. But I do not think one could say that the pension should be paid to anybody entitled to the old age security—

Mr. Martin (Essex East): That is what the Prime Minister said on more than one occasion.

Mr. Monteith (Perth): —who at this stage was residing outside the country. If we had in fact said 20 years, I am sure the hon. member for Essex East would have said it should be 15, and so on. He would have found something to argue about.

The hon. member for Essex East rambled on at some length about the Clark report. I asked if this was in order and you, Mr. Speaker, indicated it was not, so I will not contravene the rules and get into any discussion on that particular matter.

I do not feel that this measure is discriminatory in any way. I do not feel that the people of Canada would like an amendment brought in to the effect that a person could come here, for agument's sake—I mentioned this in my remarks on the resolution stage—live for ten years in this country, perhaps being in semi-retirement or retirement in some other country, and then go back to his homeland taking a pension with him. I do not think that is what is wished by the citizens of Canada.

Mr. Speaker, I do not think I have anything further to say in reply to what has been said. I do not feel that I can go along with the hon. member for Skeena in condoning disobedience of the law on the part of these people who may have cheques sent to them for endorsement while out of the country, have them mailed back to somebody in this country and meanwhile have the money remitted to them, which is a practice of which I am not aware in any specific instance. I think that is all I have to say in reply. I thank hon. members for their contributions and I hope we can get on to the committee stage.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Flynn in the chair.

On clause 1—*Suspension of pension.*

Mr. Martin (Essex East): Will the minister tell us the number of persons that it is estimated will be covered by the provision in (1)(b)?

Mr. Monteith (Perth): I have some figures as to the number of pensioners who may be affected. We have in excess of 850,000 old age security recipients on our pension rolls at the present time. Actually for the month of March the number of pensioners totalled 876,410. It should be kept in mind in this connection that the vast majority of these pensioners qualified for old age security benefit at a time prior to 1957 when the requirement was not less than 20 years' residence in Canada. Even in the case of those pensioners who have come on the rolls since the residence requirement was reduced in 1957 from 20 to 10 years, the vast majority

of them have well in excess of 20 years' residence in this country. From this it will be seen that the great majority of pensioners presently on the rolls, or likely to come on the rolls in the future, would have no difficulty in establishing that they have resided in Canada 25 years or more following their attainment of the age of 21.

It may interest the house to know that we have made an analysis of some 2,696 pensioners who in February of this year were known to be permanently absent from Canada. A review of the individual files revealed that in 77.7 per cent of all cases, or 2,095, the pensioners possessed the required number of years residence after the age of 21 to qualify them for a lifetime pension. Only 3.7 per cent, or 100 pensioners, on the basis of the residence history already on file had less than 25 years' residence in Canada after the age of 21. The remaining 18.7 per cent, or 501 cases, were cases in which a precise determination of the residence status could not be made from the evidence on file, since these cases had been transferred from provincial old age assistance rolls and detailed status so far as residence was concerned could only be determined by reference to the original residence history contained in the provincial records.

It would seem, on the basis of these figures, however, safe to assume that well over 80 per cent of all pensioners will have no difficulty in establishing that they have 25 years or more of residence in Canada following their 21st birthday, and it may well be that experience will show that this percentage will be closer to 90 per cent than to 80 per cent of all cases.

Fortunately, of course, for the administration, not all of these old age pensioners will leave Canada either for temporary or for permanent periods of absence, and thus the number of cases in which pension payments will henceforth have to be made outside of Canada will be very much smaller than the 876,410 cases which I have mentioned.

In actual fact, we have made an analysis covering a 21-month period from January 1, 1958 to September 30, 1959 which shows that slightly more than 24,000 pensioners left Canada during this period to spend from one to six months outside of Canada, but returned in time to avoid any loss of pension under the law as it existed at that time. All of those 24,000 cases experienced, of course, under the existing law a suspension of pension during the period of their absence and picked up their pension payments for the months of their absence when they returned. The figure of 24,000 to which I have referred works out to an average of approximately 1,160 departures each month.

I would point out that in all of these cases where the pensioner left Canada and returned within a six-month period the new amendments will provide uninterrupted payments of pension during the period of temporary absence.

I can also report that in the same 21-month period—January 1, 1958 to September 30, 1959—some 441 pensioners overstayed their leave and forfeited one or more months of pension in respect of the period of their absence under the law at it then existed. This works out to an average of 22 cases a month of persons who returned to Canada after extended periods of absence lasting more than six months and who, under the existing law, would forfeit at least a portion of their pension. I hope that answers the hon. member's question.

Mr. Martin (Essex East): I am sure we are grateful to the minister, but he has given us so much information that it is difficult to follow. My specific question was: how many will be affected by this provision in clause 1(b)? I think the hon. gentleman said 2,690. Was that the number he gave?

Mr. Monteith (Perth): It was 2,696. We made an analysis of that number of cases.

Mr. Martin (Essex East): That is an estimate, I know.

Mr. Monteith (Perth): It is not an estimate of the number we expect. We worked on that number of cases to come to an average percentage.

Mr. Martin (Essex East): And of that average percentage the hon. gentleman said that all but 100 would be able to qualify. Am I correct in that statement?

Some hon. Members: No.

Mr. Monteith (Perth): Well, 77.7 per cent could qualify, plus 501 cases which we could not determine. We came to the conclusion that between 80 per cent and maybe as high as 90 per cent would be affected.

Mr. Martin (Essex East): Were any calculations made as to the number that might be affected on this percentage estimate basis if the required period for qualification was reduced to 10 years residence after the age of 21?

Mr. Monteith (Perth): No, Mr. Chairman.

Mr. Martin (Essex East): That was not done?

Mr. Monteith (Perth): No.

Mr. Martin (Essex East): Is it not apparent from those figures that it would be a relatively insignificant figure?

Mr. Monteith (Perth): It might be an insignificant figure. I would not say it was insignificant. The vast majority of people would be able to qualify if it were reduced to 10 years. There would not be, possibly, more than 10 to 20 per cent, which would be some 80,000 or 160,000, who might be able to qualify under those terms. I still feel, however, that the citizens of Canada would not like it, at this stage at least, if a resident who retired from some other country came to Canada, for argument's sake, at 60 years of age, lived here for 10 years and took a fully qualified pension back to some other country.

Mr. Martin (Essex East): It is not a question of whether one agrees or not. The fact is that that was the position taken by hon. gentlemen opposite when they were on this side of the house and now, as in so many other instances, they do not observe their own recommendations.

Mr. Howard: It is pleasant to be able to carry on a discussion of these points in almost an informal way. I still think it would be just and fair to all concerned, since the act at the moment says that after a period of 10 years a person has sufficient equity either by monetary contribution or physical contribution or in some other way to draw a pension—if we are going to adopt the principle of this proposed bill in the clause we are adopting now, that a person is eligible to receive a pension within certain limits outside Canada—that we should certainly act accordingly. After 10 years we say, a person is eligible for a pension at the age of 70. Surely, it naturally follows that if we are going to say to some percentage of those who are liable for that pension that they can receive it and live outside Canada, we should say that to the rest of them and make it uniformly applicable. That is the suggestion I make. It is in that sense.

This would prevent the establishment of two types of old age pensioners with different standards of qualification referred to by the minister. Perhaps the minister says, "At one stage we reduced the qualifying period from 20 to 10 years and at another increased the income tax contribution from 2 to 3 per cent and this division into two groups of people, or possibly three, justifies the present division." If that is the reason for the establishment of two pension groups that is a different thing again. Perhaps the minister would tell us what bearing this had on the selection of the 25-year period.

Mr. Monteith (Perth): I think we should go back to the time when old age security was established in 1951 at $40 a month. At that time there was put on a 2-2-2 formula, 2 per cent of sales tax, 2 per cent of income tax and 2 per cent of corporation tax. There was no equity at all at that time. In other words, the people who were qualified were paid the amount of money monthly as a pension. I do not think anybody at that time argued that from then on it was completely contributory.

In 1957 some adjustments were made to the act. The 20-year qualifying period was reduced to 10 and the period of permissible absence was increased from 3 to 6 months. The pension was raised to $55 with no change in the 2-2-2 formula. As of a year ago the Minister of Finance announced an increase in the formula from 2-2-2 to 3-3-3 which provided more money to the pension fund. I believe the hon. gentleman mentioned in his last budget address that there would probably be a surplus in the fund this year.

In my opening remarks at the resolution stage I said that as time progressed people felt they had developed some equity in the fund. Everyone is subject to the pension whether or not they contribute to it and indeed they contribute automatically by way of sales tax, of course. Regardless of whether they pay personal income tax they still receive the benefit of the pension. It has been felt that if over the years they have contributed in one way or another to the welfare and development of Canada—if they contributed for 25 years of their so-called working life, if you want to put it that way, the half-way period between ages 21 and 70—they should be entitled to take the pension with them out of the country. I do not think I could go any further.

I still feel that a person who may retire at age 60, let us say for argument's sake, in some other country and who comes to Canada at age 60 and lives here and who may or may not contribute anything—he may not be in a taxable bracket and not contribute anything—

Mr. Martin (Essex East): He would contribute by way of the sales tax.

Mr. Monteith (Perth): Yes, everybody does that but I was referring to his not contributing by way of personal income tax. He may do so, and I am not saying he does not. I still do not feel it would be proper for him to come and live here for 10 years, let us say, and then take the pension back to his native country.

Mr. Benidickson: As a result of a letter I received last Saturday from a constituent who left for the United Kingdom a few months ago to visit his son I am curious about the effect of clause 1 on the circumstances

he relates. He had heard of the intention to pass legislation along these lines. Through a letter written on his behalf he states that it was his intention to come back to Canada but while in the United Kingdom he suffered a stroke. He doubts that his physical condition will permit him to return to Canada. I read the explanatory notes to the bill and am wondering if he will be entitled to his pension if he does not return to this country.

Mr. Monteith (Perth): What is his category so far as—

Mr. Benidickson: He has become entitled to the old age security pension. I take it this has been suspended because of what was intended to be a temporary absence from Canada.

Mr. Monteith (Perth): Has he lived here 25 years since age 21?

Mr. Benidickson: Yes, I am satisfied about that.

Mr. Monteith (Perth): Then he will get his pension.

Mr. Benidickson: The explanatory note reads this way:

1. (a) that any pensioner who leaves Canada following the passage of the amendment—

And then if you look at subparagraph (b) of the explanatory notes it opens with the words:

1. (b) that any such pensioner—

I take it that "any such pensioner" is a pensioner who leaves Canada following the passage of the amendment. It would seem to me very unjust—

Mr. Monteith (Perth): Clause 3, I think, covers that. He will receive the full effect of the present legislation as well.

Mr. Benidickson: I am glad to hear it. It may be that the man's health will not permit him to return to Canada.

Mr. Monteith (Perth): He will not have to return in order to receive the pension.

Mr. Martin (Essex East): Mr. Chairman, we want to ascertain from the minister why the period of 25 years has been selected. I suggest that a person who was here 20 years after attaining his 21st birthday would in principle certainly be as justified in receiving the benefit of this amendment as one who had been here 25 years. How did we arrive at the figure 25? Why did we leave out those who have been here for 15 or 20 years? What are the numbers of people it is estimated will be covered in those categories? If it is justifiable, as I believe it is, to do this for those who have been here 25 years after attaining their 21st birthday I believe in principle it will be difficult to justify not extending it to others.

It is true that the present Old Age Security Act is not fully contributory. As the minister said, it is partially contributory based on contributions through the sales tax, the income tax and the corporation tax and individuals who are here for any period before attaining the right to benefit do make contributions in all of these three forms or in one of them. Everyone regardless of the length of time spent in the country does make a contribution toward the sales tax which is by no means an inconsequential source of revenue.

If this particular proposal is justified in principle, as I believe it is now, I should like a more precise explanation from the minister as to why the principle is not extended to categories other than those who have spent 25 years after their 21st birthday in Canada. Certainly the person who has spent 20 years in Canada does not come within the mischief of the criticism made by the minister about those who had spent 10 years, who had come here at the age of 60. I think the same would apply to those who had been here 15 years. As a matter of fact, I find it very difficult to accept the view that if it is right in principle it should not extend to those who are as a matter of right now in receipt of a pension.

I know it is not easy to arrive at those solutions but, having accepted the principle, as the minister has done, that there is a right of a retired person to carry his old age security benefit with him wherever he goes; having established that as a principle of acceptance—and this is what the minister did when he presented the legislation—it seems to me he has not made out a satisfactory case for refusing to extend it to all who have won the right in law to receive the old age security pension.

Mr. Spencer: For the same reason that you made it 20 years and not 19 or 18.

Mr. Monteith (Perth): Mr. Chairman, the government feels that this legislation is very fair. As the hon. member for Essex East has pointed out, this has not been completely contributory. It has been on a contributory basis of any nature only since 1952. It is felt that a person who has contributed one half of his presumable working life, up until what might be called the compulsory retiring age of 70, to the development of Canada by way of taxes and otherwise over the period prior to the contributory feature entering into the picture is entitled to this extra concern. A person who has given all those years of service to Canada in one way or another and

has contributed to the development of Canada in one way or another and by taxes is entitled to this extra consideration. I think that answers the question, Mr. Chairman.

Mr. Howard: May I pose a question to the minister? May I set up a sort of hypothetical circumstance and see whether this is what would apply? As I read this it seems to me that one would be able to come to one or two conclusions. Under the proposed legislation could a pensioner absent himself for six continuous months and continue to receive the pension? I refer to one that does not fall within paragraph (b), the 25-year qualification. I refer to someone who has not resided here for 25 years but returns to Canada upon the conclusion of the six months and lives here for another one or two months and then absents himself for a further period of six months. Would he be eligible to receive the pension during the second consecutive six-months period or the one or two-months period, or is it for one period only?

Mr. Monteith (Perth): No; he could repeat.

Mr. Howard: There is no limit to the number of times that he can be absent?

Mr. Monteith (Perth): I am informed that this could be done.

Mr. Howard: So presumably a person could be absent within a few days of the calendar year and still continue to receive his pension outside the country for the whole year or practically the whole year, and keep this up indefinitely?

Mr. Monteith (Perth): This is so, Mr. Chairman, but it is felt, of course, that a person is not going to be moving back and taking up residence in Canada every six months and continue that sort of thing.

Mr. Howard: I would submit that this could be done very easily if the person happens to live in the United States or wants to move or has moved to the United States, or originally came from the United States and has relatives there who live fairly close to the border. This would be establishing a silly situation, or a discriminatory situation because we are saying to those people who live in the United States from which it is easy to return to Canada that they are in a class different from those who move to the United Kingdom for a six months period or longer if they want to live there permanently. If they are not able to take advantage of the provision of the legislation in the same way as a person who moves to the United States might be, it is discrimination. I couple this with the thoughts that I have expressed about the need to make it universally applicable. While there may be some complications in this regard in so far as the rules are concerned, nevertheless I should like to have this appear on the record in a clear way. Perhaps, therefore, Mr. Chairman, an amendment is in order. I move:

That the proposed new subsection (1) of section 5 in clause 1 of the bill be deleted and the following substituted therefor:

"(1) Where a pensioner absents himself from Canada payment of his pension for any period he continues to be absent from Canada shall be continued unless the pension is otherwise suspended or voided pursuant to the provisions of this act".

The Chairman: This proposed amendment would replace the one which is now in the bill as paragraphs (a) and (b). It seems to me this would constitute an increase in expenditures because it would certainly qualify for a pension people who would not have resided in Canada for 25 years after attaining the age of 21.

Mr. Monteith (Perth): That is so, Mr. Chairman.

Mr. Peters: Is it not technically correct that this fund, in which there is going to be a surplus this year, is made up by contributions and not necessarily only by government money? If there is a surplus therefore part of that surplus is made up of contributions.

Mr. Pallett: The hon. member knows better than that.

The Chairman: I could hardly subscribe to the view of the hon. member because the principle is that any initiative which will involve spending money of the treasury must come from the government, and whether or not there is a surplus in the fund is not relevant to the point. If there are no other views to be expressed, I would rule the amendment—

Mr. Howard: Before you do so, may I speak to the point of order. I am in complete agreement. I had in mind that the amendment would not be accepted in the first place but I thought it was necessary in order to put our thoughts on the record in clear form.

The Chairman: I have even less hesitation, therefore, in ruling it out of order.

Mr. McMillan: I have had an inquiry from a lady in Niagara Falls, New York. She is eligible for the United States pension and since she was 25 she has lived in Canada for 18 years. She is a little under 70 and she is moving back to Canada in order to qualify for the pension. Is it possible for a person to draw a pension in two different countries?

Mr. Monteith (Perth): Yes, if she qualifies under our pension provisions she automatically receives it.

Mr. McMillan: I know that fraud takes place in connection with some of these cases. Suppose we are paying a pensioner who lives abroad and who passes on and somebody cashes his cheques. What method have we to detect fraud in such cases? How can we prosecute and how can we recover the money in case of fraud? I do not suppose it is an extraditable offence.

Mr. Monteith (Perth): I would be very happy to go into more detail as to administration if required, but as I pointed out in my remarks this afternoon this is a system which has been followed by the annuities branch of the Department of Labour, the superannuation branch and the war veterans pensions administration. Several departments of government actually do have this machinery in force now and we will of course take their experience into consideration.

Mr. McMillan: I am not asking about their experience in Canada but about their experience abroad.

Mr. Monteith (Perth): I am referring to all payments of this type that have been made abroad in the past.

Mr. Taylor: I should like to ask the minister a question. I understand that if a pensioner, for example, dies after say five months' residence outside of the country his estate does not receive the monthly payment under the present provisions of the act even though it may have been the clear intention of the pensioner to return to Canada. I am thinking particularly of an estate where the pensioner had qualified and had gone to California for a very few months. His family and relatives were in Canada and he intended to return but his estate did not receive the two monthly payments.

Mr. Monteith (Perth): This was so under the old legislation but the situation will not exist now because the cheques will continue to be issued for the months in question.

Mr. Taylor: I understand that. I was going to follow up with another question. It is possible that very few estates may be concerned, but I wonder whether some relief could not be provided in the case of those who have died outside of Canada within the six-month period and where it is clear that they intended to return to Canada.

Mr. Monteith (Perth): There is no provision for that under the present act. When this amendment comes into effect upon receiving royal assent it will be possible from then on but there is no retroactive feature.

[Mr. Monteith (Perth).]

Mr. Peters: In clause 1 why is the word "may" used rather than "shall"? I can see why there should be discretion with regard to certain contraventions of the regulations, but why is "may" used instead of "shall"?

Mr. Monteith (Perth): As a non-legal light myself, I would be inclined to agree with the hon. member but I am informed—

Mr. Martin (Essex East): May means shall.

Mr. Monteith (Perth): —that may means shall in legislation. I cannot tell the hon. member anything more.

Clause agreed to.

On clause 2—*Savings.*

Mr. Peters: I should like to ask the minister what the words "notwithstanding section 1" mean. Do they refer to clause 1 above, section 1 of the old legislation or subsection 1 of section 5?

Mr. Monteith (Perth): Does the hon. member mean section 1 of the bill or section 2 of the bill?

Mr. Peters: In clause 2 it says "notwithstanding section 1". Does that refer to clause 1 of the bill, section 1 of the old legislation or subsection 1 of section 5?

Mr. Monteith (Perth): This section is intended to preserve and protect the rights of a pensioner who is absent from Canada on the date when the amending legislation becomes effective. It provides that any rights he has under the existing legislation will not be adversely affected.

Mr. Peters: Do these words apply to section 1 of Bill No. C-63 or to the Old Age Security Act?

Mr. Monteith (Perth): They apply to this bill.

Clause agreed to.

Clause 3 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rea): When shall the said bill be read the third time? Now, by leave?

Some hon. Members: Agreed.

Mr. Martin (Essex East): Oh, no, not today.

The Acting Speaker (Mr. Rea): Next sitting of the house.

WINDSOR HARBOUR COMMISSIONERS ACT

AMENDMENT RESPECTING BOUNDARIES OF HARBOUR

Hon. Gordon Churchill (for the Minister of Transport) moved that the house go into committee to consider Bill No. S-4, to amend the Windsor Harbour Commissioners Act.

Motion agreed to and the house went into committee, Mr. Rea in the chair.

On clause 1—*Boundaries of harbour.*

Mr. Fisher: Mr. Chairman, is the minister going to be here?

Mr. Churchill: No, he is unavoidably absent but I am taking his place. I look forward to co-operation from the other side of the house.

Mr. Fisher: It is not a question of getting co-operation. There were a number of questions I wanted to ask. Is there anyone here from the department? Are there any department officials here or is the minister all alone with these bills?

Mr. Churchill: I am all alone. I was here when these three bills that are now before us were debated in the house and I listened with great attention to the discussion on them. The bills went to the standing committee on railways, canals and telegraph lines and I was assuming that the questions had been answered during the course of the committee hearings.

Mr. Fisher: I just wanted to take advantage of the minister's presence with the officials to ask him something about expropriation and the powers of these harbour commissions. This matter has again become a live issue in my area. The bills are identical in so far as these harbour commissions are concerned. That was a little bit of extraordinary information I wanted to get. I quite agree that the bills have been examined by the committee.

The Deputy Chairman: Shall clause 1 carry?

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

OSHAWA HARBOUR COMMISSIONERS

ESTABLISHMENT OF CORPORATION FOR MANAGEMENT AND DEVELOPMENT OF HARBOUR

Hon. Gordon Churchill (for the Minister of Transport) moved that the house go into committee to consider Bill No. S-5, to incorporate the Oshawa Harbour Commissioners.

Motion agreed to and the house went into committee, Mr. Rea in the chair.

On clause 1—*Short title.*

Mr. Martin (Essex East): This is a bill which, I am sure, commends itself to the committee. It is a bill establishing a harbour commission. I know that the hon. member for Laurier who has had considerable experience with these matters wished to say something. I observe that he has now come into the chamber. Just before he takes my place, however, I wonder whether the Minister of Trade and Commerce feels particularly competent to deal with the particular matter. I do not expect the minister to reply. I merely put the question in order to give to my friend the hon. member for Laurier a cue which understandably, in the circumstances, is desirable.

Mr. Chevrier: Is the Minister of Trade and Commerce going to say anything on this bill?

Mr. Churchill: I had been asked for a comment prior to the hon. member for Laurier entering the chamber. I had mentioned the fact that I was present when the three bills were debated in the house. I recall vividly the pleasant exchange between the hon. member for Essex East and the Minister of Labour with regard to the Oshawa bill. I went on to say that after that debate the bills were referred to a committee and that at that stage I was under the impression that all questions of detail would be dealt with so that on coming back to the house now at this stage, unless some trouble occurred in the committee, the bill would receive rapid passage. However, I for one would be pleased to hear from the hon. member for Laurier because of his experience in these matters.

Mr. Chevrier: There is nothing that I should like to add other than what has already taken place in the committee. I think there was a general interest in the committee. It was unfortunate that the members of this commission did not appear before the committee. What happened was that the team referred to by the Minister of Transport, composed of officers of his department and officers of the Department of Public Works, gave evidence. My chief concern in this matter was to ascertain from the government what plans it had for the development of harbours in the great lakes-St. Lawrence system. Following a request of mine to table the reports of studies made along the upper St. Lawrence system from Dorion to Oshawa the Minister of Public works refused so to do. After having referred to 29 of these reports made by the team to which reference has

already been made, the Minister of Transport also refused to table them, although reference was made to them by him during the course of the discussion.

I think it would have been helpful to us on this side of the house if we had known what kind of reports had been prepared by the team. I certainly want to discuss these reports at a later date. We have already had two discussions concerning these reports. The first was when the bill was introduced and the second was when the matters came before the committee. It strikes me that there should be some indication by the government of what the plans are for the future on the St. Lawrence seaway.

There is clear evidence that on the other side of the boundary line—that is, in the United States—there are a number of reports, with plans, surveys and the like, that have been prepared for ports in the international section all the way from Rooseveltown, N. Y., right up to Oswego. It would appear to me that similar plans should have been made available to the House of Commons so that the country would know what the government has in mind with reference to this matter.

These plans and surveys to which I have made reference in the United States have been made public. Other surveys by Canada were also made public by the former administration. I think it would be helpful if we knew what the government intends to spend in the way of providing port facilities, wharves and other equipment necessary for the development of these harbours. Of course, it also strikes me that all of this development must be based on an over-all plan. That is why I suggested at the outset, not only this year but in 1957, that an economic survey of the impact of the St. Lawrence seaway upon the various regions of Canada should be prepared by the government. This work had been done by the minister of trade and commerce some years ago. I have not the report before me now; neither have I the date of it. However, it seems to me that prior to the introduction of legislation in the house about 1951 there was an interesting and lengthy report prepared by the economic research division, a branch of the Department of Trade and Commerce, which report gave an indication of what benefits were to be derived from the St. Lawrence seaway.

My purpose in rising now is not to discuss this matter because I think there will be at a later stage an opportunity to enter upon these discussions, at which time I shall be able to deal with the matter in greater detail, but I think at the moment of what is being done in the United States. A committee has been established there, and as the house knows tremendous sums of money are being spent for the development of harbours at Duluth, at Chicago, at Milwaukee and other such centres in the United States. True, we have a similar plan for the port of Montreal but it is hoped, and in fact the statistics for the year 1959 have clearly indicated, that there is a substantial amount of overseas traffic which will move inland along the seaway. For instance, the great lakes overseas trade which prior to the opening of the seaway amounted to about 750,000 to one million tons, in 1959 with the opening of the seaway reached the total of six million tons. There are some economists who feel that that amount of one million tons will be multiplied by 25, perhaps in 1965 or thereabouts. If that in the case, if there is to be some 25 million tons of great lakes overseas traffic which will move from overseas ports to United States and Canadian ports, it then becomes imperative for Canada to ascertain where that traffic or most of it is likely to go.

We know that the city of Toronto and the city of Hamilton both have prepared plans for future development, and the lakehead has established a harbour commission. What will be the position on the upper St. Lawrence, from the foot of lake Ontario down to the beginning of the international boundary line at Cornwall, is another matter, and I think it would be well if the government gave consideration to this.

We on this side of the house are in favour of the establishment of this commission. We think it is a good thing. We feel that there is a great deal more that has to be done because when one looks at the location of the channel he will see in many cases it is some distance away from the ports on the Canadian side of the line. The questions then arise; how much money should be spent in dredging channels from the main channel to the entrance to these harbours; what will be the cost of that; whether bulk commodities will move to these upper St. Lawrence ports or not; and whether grain elevators should be established lower down on the north shore of the gulf of St. Lawrence, as has been suggested in this house by myself and others who sit on this side of the house on numerous occasions. So that while we favour the approval and the passage of this bill and the other bills of a like nature which will come after it, we feel that the government should give some indication to the house and to the country of what its plans are for harbour development in the future.

We do not think that the team which has been referred to both by the Minister of Transport and the Minister of Public Works is sufficient in the circumstances. I have particular reference now to the city of Cornwall. The city of Cornwall has been very hard hit by the closing of its textile industries and it seems to me that this is a city where assistance could be given by the government, either by the establishment of port facilities up-stream from the city, to which some consideration has been given by the team, or downstream from the city at a location which the Canadian National Railways has surveyed—

The Deputy Chairman: Order. I find that the hon. member is perhaps straying a little from the bill to incorporate the Oshawa harbour commission.

Mr. Chevrier: Mr. Chairman, I entered into this discussion, which I agree is not strictly germane to the bill, because earlier there was a consideration of facilities for all of the ports on the upper St. Lawrence from Oshawa right down to the international boundary line at Cornwall, and the only reason why I went somewhat off the main discussion was because of what transpired earlier. However, if you want to hold me strictly to the discussion of the bill itself, I suppose I could not do what I am doing at the moment other than draw your attention to the fact that on an earlier discussion of this matter this was allowed. If you say I am out of order I will not proceed any further with my remarks on that point.

What I did want to remind the house of once again was that I think the government should offer some explanation about this. I understand it cannot very well do so on this occasion because the Minister of Transport is not here, neither is the Minister of Public Works; but there should be during the consideration of the estimates of one or other of these two ministers a complete statement by the government on what it intends to do with reference to the development of port facilities along these harbours.

Mr. Fisher: Mr. Chairman, I am tempted to speak on the point of order which you drew to the attention of the hon. member for Laurier. However, if I could just review the situation, the minister came into the committee hearings and to the surprise of the committee, and certainly I think the hon. member for Laurier will agree with this, he came out with what were in effect statements on government policy so far as development of harbour commissions in general were concerned. That is why I would assume that what the hon. member for Laurier was talking about was relevant.

I feel just as critical, and I know our party does, about the surveys as the hon. member for Laurier. We have had the minister, I am not going to say trying to give the impression—he was acting—but, in effect saying that any time you have a survey team which turns out over 25 reports in a relatively short period of time those reports are kept privy to the minister or some of the people in the particular communities and are not available to members of parliament. One cannot help but have certain doubts about the scope of the reports. This is with all due respect to the very excellent economists, such as Dr. Weekes, who were on the survey team. I agree with the hon. member for Laurier that we should at the very least have a sample of these surveys. Perhaps they could be completely depersonalized or have extracted from them all personal community references so that we could get an idea of what the surveys encompass and how large a projection they give.

When this bill was before the house at the resolution stage, or it may have been for second reading, the hon. member for Victoria (Ont.) got up and pointed out that there were some smaller ports down the lake towards the St. Lawrence from Oshawa which were also interested in development of their harbours.

Mr. Churchill: At that point he was called out of order.

Mr. Fisher: "At that point he was called out of order", the minister interjects. Well, he was attempting to make the point, I think, that all along the great lakes system every place which abuts on the water feels it is potentially a port.

When one looks at the Oshawa situation he can see that a great deal of dredging is almost certain to be necessary. The Oshawa harbour is not a large one. It is some distance away from the main lake channel and to bring it up, say, to seaway standards to give a draught of 25 feet or 26 feet will take considerable dredging. I should like to know how much is involved here in terms of expenditure, and what commitments, if any, the government has given to the people in Oshawa or to this harbour commission which we are going to have on our hands. How far does the government intend to support these endeavours?

If I can judge from the situation at the lakehead, the government made a commitment that it would spend about $4 million. Since then, that commitment has been raised to $7,500,000. There is still considerable confusion in the lakehead area about the development of the port. The actual ownership of

the property upon which construction is now taking place has not been cleared up. We have a fight there. All this suggests to me that the mere creation of a harbour commission, or the setting up of legislation to enable a commission to be established, does not complete the job we should be doing. We should know more about what is in the mind of the government, and the minister seemed to suggest in the statement he made before the committee that these survey teams have mapped everything out. In fact we do not know, because the minister will not let us look at the surveys, nor will he give us much indication of what is in the surveys. We cannot but have doubts about any survey team which produces 29 surveys in so short a space of time.

I agree with the former minister of transport in his contention that on the estimates of either of the ministers concerned we have the right to expect much more information about these surveys and with regard to just how much encouragement has been given to those communities where surveys have been made. Perhaps the Minister of Public Works could assist us in this connection. I see we now have the hon. gentleman with us. He is looking up expectantly as if ready to take part in our discussion, so I will raise the question again: could the minister give us some information about the scope of these surveys in which his department is co-operating with the Department of Transport in connection with all these harbours on the great lakes transport system.

Mr. Churchill: I have listened with interest to the remarks made by the two hon. gentlemen who have preceded me. They ranged widely afield, but I realize the subject is of great interest to people living on the St. Lawrence waterway and, indeed, in all Canada. However, I judge from the speeches which have so far been made that hon. members opposite are not opposed to this first step to be taken with regard to setting up harbour commissioners for the city of Oshawa. I will draw to the attention of the Minister of Labour, who represents that city so ably, their interest in the matter. As to the other steps which are to be taken afterward, that matter could quite properly be raised, as both hon. members have suggested, when the estimates of the Department of Transport and the Department of Public Works come before us for consideration.

Mr. Chevrier: I do not want to delay this legislation, but I hope the Minister of Public Works who is now here or the Minister of Transport, or both, will be in a position when their estimates are up for consideration to give some indication of the plans that either of them have with regard to these harbours.

The Minister of Transport seems to have carried the load in the discussion of these bills. It is true that they come under his jurisdiction, but in so far as harbour development is concerned I believe they come under the jurisdiction of the Minister of Public Works. I do not think it is sufficient for either of the ministers to say that 29 surveys have been made without giving some greater indication of what the intention of the government is with respect to these ports. I can understand that in this discussion the minister would not have this information available, but I do hope the Minister of Public Works or his colleague the Minister of Transport will be in a position on his estimates to deal with this subject in greater detail than is possible at this time.

Clause agreed to.

Clauses 2 to 25 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

NANAIMO HARBOUR COMMISSIONERS

ESTABLISHMENT OF CORPORATION FOR MANAGEMENT AND DEVELOPMENT OF HARBOUR

Hon. Gordon Churchill (for the Minister of Transport) moved that the house go into committee to consider Bill No. S-10, to incorporate the Nanaimo Harbour Commissioners.

Motion agreed to and the house went into committee, Mr. Rea in the chair.

On clause 1—*Short title.*

Mr. Peters: This is the third bill of this kind and I have been thinking that possibly it might be the intention of the government to set up an over-all authority which would bring some similarity into these measures both during the initial stages and at later stages. In each one of these cases there must have been development work before the stage of setting up a harbour commission was reached. I am very interested in one in which the Department of Public Works, the Department of Transport and others are concerned, which must be in the initial stage now. I am referring to the port of Moosonee.

It seems to me it would be advantageous if the government were to set up an over-all authority making it unnecessary for these bills to be introduced individually. When the stage was reached where the setting up of a port authority was felt advisable, that would be done as a matter of course.

The Deputy Chairman: Order. I must remind the hon. member that this bill refers only to the Nanaimo harbour commissioners.

Mr. Peters: Mr. Chairman, I am merely suggesting that rather than passing individual bills we should establish an authority to determine when a harbour has reached the point of development where commissioners require to be appointed and take action with respect thereto.

Clause agreed to.

Clauses 2 to 25 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

AGRICULTURE

REFERENCE TO COMMITTEE TO INQUIRE INTO FARM MACHINERY PRICES

Hon. D. S. Harkness (Minister of Agriculture) moved:

That the standing committee on agriculture and colonization be empowered to inquire into the prices of farm machinery and to report to the house thereon.

He said: Mr. Speaker, during the past 10 years the most frequently heard general complaint on the part of farmers has been over the cost-price squeeze. This arises from the fact that during this period the prices received by farmers for their products either have not increased or have not increased in anything like the proportion of the increase in cost of the goods and services farmers have to purchase.

One of the big items in a farmer's costs is the cost of machinery and the cost of repairs to keep the machinery in operation. There has been a great deal of dissatisfaction on the part of farmers about the increase that has occurred in the cost of farm machinery. One seldom attends a meeting of farmers without hearing instances cited of the comparative costs of tractors or combines 10 or 12 years ago and today with various figures being adduced to show that the cost has increased two or three times over what it was in the previous period.

In view of the desirability of bringing down the costs to farmers and particularly of preventing further increases in cost of the things they have to buy I feel that an inquiry into the reasons why the costs of farm machinery have increased as they have would be in the public interest. I would hope that this inquiry would enable the committee not only to determine the reasons why this increase in cost has occurred but also to make recommendations as to how further increases could be prevented or how present prices could be turned down a bit or reduced.

There are a number of facets to the whole question which I think could be profitably studied. One way in which costs have been held down and have not increased at the rate at which they otherwise might have has been because of standardization and I believe much more could be accomplished by way of standardization in the manufacture of farm machinery. I have received a considerable number of suggestions from farmers saying that the standardization of nuts and bolts alone on farm machinery would save them a great deal of time and money. Each machine they buy requires nuts and bolts of a different size and type. If one of these breaks they often have difficulty obtaining the proper type to replace it. Greater standardization would save a considerable sum of money in repairs and the saving of time in the period of harvesting or seeding would be substantial and perhaps of even more importance. Any time lost by farmers in those periods represents a financial loss.

That is only one phase of the matter. In addition, I think more could be done by way of standardization from the point of view that instead of there being a considerable number of large heavy separate machines, one for each operation which has to be carried on in farming, there could be two or three basic machines and through the use of simplified and cheaper attachments it would be possible to carry on the work that now requires several large expensive and heavy machines.

This is a large subject for inquiry, of course. I would not anticipate that the committee would be able to complete its study in the remainder of this session. I would hope, however, that it could make a good start on the inquiry this year, lay out the general lines it will develop, hear some evidence in connection with the matter and then be in a position to proceed with an investigation at the next session and complete the inquiry and report.

It is my hope that the motion will be passed expeditiously and that the committee could immediately start to work on this inquiry.

Hon. Paul Martin (Essex East): Mr. Speaker, any effort that will assist the farmers of Canada in meeting the economic problems that confront them will win wide support, I am sure, in every quarter of the house. There can be no doubt that agriculture today is faced with a critical situation as we have had occasion to remind the Minister of Agriculture (Mr. Harkness) from time to time.

The cost-price squeeze is still a fact notwithstanding the statement made by the minister a few months ago to the effect that the government had resolved this problem. The fact is that the cost-price squeeze now is as great as ever.

Undoubtedly, one of the considerations the government had in mind in bringing forward this proposal was, I am sure, the desire to examine the cost of agricultural machinery but also to remove an embarrassment which doubtlessly confronts the Minister of Agriculture and the government at every step. The government, I have no doubt, particularly from the words which have just been used by the minister, namely that the study is not one that need be terminated now, indicates that what the minister has in mind is what will be the situation when the next federal election comes and when the farmers will be confronting the minister with the fact that the cost-price squeeze still exists.

I have no doubt that with the great imaginative powers that are his the minister is now anticipating that situation and he will be in a position to say to the farmers, "Oh, but we have done something about this; we have established a committee to look into the matter of the high cost of farm machinery; this was done by us; this was an indication of our concern about the fact that farmers operate under difficult conditions". Farm prices are down; the cost of necessities are up. That is undoubtedly what the minister had in mind—

Mr. Harkness: I can assure the hon. member it was not.

Mr. Martin (Essex East): —although the minister did not say that. In any event, it is so obvious that such is the case that I should not be given any credit for reading this motive into the words of the minister.

The fact is that agriculture is now confronted with critical situations. This is admitted on all sides. The economic return of many thousands of farmers in this country at this time is such that it should be the concern of governments on all levels to ascertain, both by way of fundamental action and by way of what might be characterized as temporary remedial action, as to how to deal with this situation.

It will be recalled that the previous administration took the iniative of abolishing the tariffs on farm machinery thereby very considerably bringing farm machinery within the reach of many thousands of farmers who otherwise would not have been able to provide themselves with the necessary equipment. This study will be welcomed as a means of confirming the decision of the previous administration to reduce tariff rates on farm implements completely; but the minister should be warned that this study, desirable as it is, will not be regarded as satisfying the obligations of the government in terms of an agricultural policy which it assured the Canadian people it would give them, a policy that would improve the economic situation of agriculture at this time.

The minister mentioned the fact that consideration and study should be given to the standardization of equipment. We will have to look at that in the light of the fact that we recognize the private sector of our economy is something that we wish to encourage. That should not deter us from making an examination of the problem from every point of view. There is also the constitutional aspect as to whether or not a committee of this house has the power to recommend standardization. It will be doubtful that it has the power to take any steps pursuant to the results of a positive study on the question of standardization. But I have no doubt that a study along those lines will prove constructive and valuable.

Those of us who represent agricultural constituencies in part know many farmers who are loaded with equipment beyond their means. Of that there can be no doubt. I have in my own mind as I talk right now some cases of individuals who find themselves economically embarrassed because of the heavy overhead which they have had imposed on them. When I say "which they have had imposed on them" I use the words deliberately. So, to the extent that this will reveal a situation which disturbs farmers and should disturb us we welcome this proposal. But I say to the minister that this looks too much like an effort on his part to divert the charge that he has not dealt with the cost-price squeeze situation along the lines indicated by him and by the Prime Minister (Mr. Diefenbaker) and those who have been spokesmen for the government.

We shall do our part in seeing that this study is complete, that it is vigorously pursued, but we shall also be vigorous in our examination of other aspects of the government's agricultural policy which more and more gives evidence of being wanting.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this group agrees with the purpose of the resolution. We think it is a very necessary inquiry. We also think it is very late in the session to introduce a resolution and to refer such an important matter to the committee on agriculture. We are of the opinion that this resolution should have come before the house in January so that the committee would have had full opportunity to

study all aspects of this question, and there are a lot of aspects to be probed.

I am inclined to agree with the hon. member for Essex East (Mr Martin) that while this is a very important matter, the question of how costs are affected by the rising price of farm machinery, the farmers are also interested in hearing of government action with respect to prices and improvements in that regard.

I am inclined to think that this is rather a diversionary tactic, you know, to take the attention of the farmer away from the main things that concern him at the present time and focus it on one segment of his present problems. There is no doubt about this inquiry being necessary. As I look over the latest return from the dominion bureau of statistics, which I received recently, I find it shows that while the index of some agricultural costs dropped in recent months, the index of equipment and material advanced 1.4 per cent since January, from 218.8 to 221.9.

The minister informed us that the committee was to be instructed to inquire into the reasons for the increase in the cost of farm machinery. That is a very good purpose, and it will have power to make recommendations to prevent further increases or stabilize the present costs of farm machinery. We agree with that.

There are a number of important aspects of the cost of farm machinery to which the committee could give some careful attention. That will require considerable time. The minister has implied that the committee could not finish its work this session.

Mr. Harkness: I did not imply it; I said definitely it would not.

Mr. Herridge: I did not hear quite correctly. Some of the members opposite me were talking and I could not hear too well. I must always lay the blame on the Conservative members opposite. I think it far better to take time to make a full report than to hurry through in a few short weeks time and make an early and incomplete report.

The minister mentioned the standardization of parts, bolts and nuts. I think that is a very important suggestion. Anyone who has had anything to do with farm machinery knows what time can be lost, what expenses can be incurred in this way. I know from my own experience in the interior of British Columbia and from the experience of other persons working in our district that this lack of standardization makes it necessary sometimes to wire to Vancouver for a special size of bolt and nut and things of that sort. It is very important. I think that some study should be made with respect to the standardization to a greater extent of types of farm machinery, manufactured types of machinery for purposes on the farm. There could be greater standardization of the types of machinery as well as the parts of machinery.

I was interested in the minister's suggestion with respect to basic machines. I think there is a lot in his suggestion. In my opinion a great deal of duplication of expense is caused to farmers today by farmers owning expensive machinery when with proper arrangements there could be co-operative ownership of certain basic machines. That is particularly so in the case of land clearing, draining, diking and things of that sort. In those fields there is an opportunity for co-operative ownership of large basic machines to the advantage of farmers within an area. Thus farmers could reduce to some extent their capital investment in machinery which is becoming so large that more and more land is being required to carry the load.

I think there should also be an examination into how sales charges affect the cost of farm machinery. While the dealer has to have adequate remuneration, I think there is some duplication in respect of distribution which adds to the cost of machinery. When you have a certain limited market it is all right to talk about the spirit of competition but there is very little competition with regard to the price charged for a tractor, a binder or a mowing machine of a certain type as between one company and another. I have noticed that where outlets are limited you will find two or three engaged in the distribution of farm machinery and I think something should be done by the companies themselves to reduce the cost of distribution and sales charges by some consideration of that aspect of the problem.

I think the committee should also inquire into the application of the tariff structure with respect to the admission of farm implements into Canada free of duty. In my own personal experience since I have been a member of the house I have on various occasions had poultry producers and fruit farmers come to me and say that certain parts they required for their equipment were not duty free, and after considerable representations being made to the minister the matter was corrected in one or two cases. But I do suggest that the committee should have officials of the Department of National Revenue come before it in order to get their views as to what is considered to be agricultural equipment.

I remember that on one occasion some parts were required for a particular type of incubator and the customs officials said that

according to the act an incubator was not an agricultural machine. Yet it certainly is a piece of machinery used for the production of chickens which is a part of agriculture, and after some time I think an amendment was finally made to the regulations and these parts were admitted. There may be other cases like that and I suggest that the committee should have officials of the Department of National Revenue come before it and explain what actually is allowed into Canada under the term "agricultural implement", shall I say.

Mr. Martin (Essex East): It would be interesting to know why this matter was brought forward in the month of June, so late.

Mr. Herridge: I do not think the officials of the Department of National Revenue would be able to answer that question but it might be a good idea to have the minister come before the committee in order to find out the reasons for the delay in bringing in this resolution.

I think there should also be some consideration of the cost of transportation of farm machinery. This is also related to the matter of the outlets for distribution. I think some savings possibly could be made by more scientific and economical loading of equipment from eastern factories destined to western points so that the costs could be reduced as far as possible by following the most economic route and moving the machinery to the centre most easily available to the farmer who may be making the purchase.

I have dealt with these matters because they have been brought to my attention throughout the years. This group wholeheartedly supports the purpose of the resolution. We hope the committee will make a thorough study of the question while they are at it even though it will extend into the next session and that the work of the committee will result in a lowering or stabilization of the cost of farm machinery and to that extent be of benefit to the farmers.

Mr. R. L. Hanbidge (Kindersley): Mr. Speaker, I should like to commend the Minister of Agriculture (Mr. Harkness) and the government for this important step. I have been hoping for some time that such a resolution would be introduced by the government and I am very glad indeed that the minister is bringing it in now. This is one of the problems that the government inherited when it took office. Despite what the hon. member for Essex East (Mr. Martin) has said, there are a lot of people in western Canada who are interested in the price of farm machinery and who feel that the former government did not do a great deal over the years when he was sitting on the treasury benches. We are all very glad to note that now he is in the opposition he has developed an interest in the prices of farm machinery.

This matter is of particular interest to the farmers of Saskatchewan and western Canada generally. The cost-price squeeze is something we have heard a great deal about in recent years. Tractors and combines that used to cost from $2,000 to $3,000 now cost between $6,000 and $7,000. Other farm machinery is on the same level. The price of repairs is out of all proportion to the money received by the farmers for their produce. Therefore the farmers are all interested in this matter. I am glad the minister has intimated that the committee is going to have wide powers. I hope it will be entitled to inquire into the prices charged and the profits being made by the machinery companies. There is a general feeling throughout western Canada that they are making tremendous profits. I have my doubts whether that is so but I think it would be advisable for the committee to have full power to inquire into that matter, to inquire into the cost of their raw materials and find out what has made it necessary for the price of farm equipment to be increased so much.

I shall only be about two minutes, Mr. Speaker. I hope that all these matters will be gone into by the committee. The minister has intimated that it will have power to sit after the session is over and that it will be a continuing committee to investigate all these various matters that are of interest to the people of western Canada. As a result of the deliberations of the committee and the recommendations that are made, I hope the prices of farm machinery will be brought more into line with the prices of the products that the farmers have to sell.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to compliment the minister for having taken the action he is taking in setting up this particular committee. It is one that I am quite sure all of the farmers in eastern Canada in particular will appreciate. However, we deplore the fact that it should be set up as late in the session as it is being set up. It is unfortunate that committees in the House of Commons do not function between sessions. If we are going to make a real success of this

particular committee and if it is to accomplish what I am quite sure the farmers, the minister and other segments of the economy are interested in having it do, it would seem to me that it is going to have to go fairly extensively into the whole field of machinery costing and pricing.

I should like to see labour called before this particular committee because continually the charge is made to the farmer by the machine distributor, the machine manufacturing industry and politicians also that the reason farm machinery is at such a high price and that the cost to the farmer is so high is that labour is getting too much of the machinery dollar. I should like to see called before the committee representatives of the farm machinery industry—particularly the management side of it; labour representatives; representatives of the unions; the distributor representatives and the retail merchants themselves. I think we shall find in Canada a situation similar to that found in the United States about 10 years ago or a little more when an investigation was conducted there into farm machinery.

In Ontario one of the problems affecting the machine industry that I think should be investigated is the retail price of or the cost involved in secondhand machinery itself. When a farmer can no longer use the machinery he has and he is obliged to trade it in on something new, the amount received for the equipment is not in keeping with the amount of money that he has had to pay for it. Yet somebody buying that machinery for the second time finds there is not a great deal of saving in it.

I am thinking mainly of the milk-producing industry in Ontario in the last few years where they have changed over from farmers who are operating with milking machines and modern cooling equipment that went along with the milking machine in dairy production. All of a sudden in southern Ontario—it is into this matter that part of the investigation might take place—there seemed to be a terrific impetus for bulk haulage. Bulk haulage not only meant that the milk was going to be hauled in bulk trucks but that the farmer had to have bulk coolers and the equipment all had to be changed over. The cost was phenomenal. At the same time the farmers in those areas that were not going into bulk haulage found that the cost of cooling equipment for the old type of milk set-up was a very expensive proposition even when they were buying secondhand.

It would also appear that some investigation can take place, particularly in the east, in relation to patents that are held on an international basis. I am referring to equipment that has been manufactured and that appears to have been very much cheaper than former farm equipment that is held under international patents, and where this equipment has only been available from one major company. It would seem to me that this situation has caused other companies to go into producing costly equipment that has in many cases been an experiment tried out on the farmer, at the farmer's own cost; and that after he has used the new invention for a short time he finds it has been replaced by something that has been further developed and is much more satisfactory than the other property.

This investigation also, I would think, should give close consideration to the price of farm machinery replacement costs. In Ontario, and particularly in northern Ontario, parts are not stocked in the main at any place in the area. If you have a major breakdown the distributors, or the small distributors anyway, have not parts for a great deal of major machinery. There is not the same requirement that there is with regard to automobiles where you must in Canada for a number of years by law stock parts for this equipment. But it often seems that the part you need for such things as discs and plows and other articles of farm machinery that will last a much longer time than normal farm equipment are not available anywhere in Canada and it takes months to get them. It is wise to order parts in the fall so that you will have them in time for spring. When these parts come the cost has no relationship to the normal cost of parts but they would appear to have been made especially for a custom job.

As I understand the situation with automobile parts, the automobile supplier is by law compelled to keep the equipment for manufacturing parts for a particular model for a certain length of time after the particular year. Parts should be available, I think, by law, for a period of 10 years or something of that nature. Some consideration could be given to that problem with regard to agricultural machinery repairs also.

I think the minister is quite right in saying that a great deal of advantage can be gained from the farmers deciding on a basic type of equipment and having that type developed. But I would be greatly interested in knowing just how the minister expects there is going to be this basic type development. I am quite sure we will all agree that there are basic units that could be modified and added to and one of them, of course, is the Ferguson set-up. But I would suggest that we are going to have a great deal of

difficulty in getting all the companies to accept this basic type of equipment and to limit the manufacturing of those that wish to manufacture other things. As long as there is competition I would assume that the price is going to have to go up, that distribution costs are going to increase as well as advertising costs and all the others costs. I agree with the minister that if standardization of basic units could be accomplished it would reduce the price of farm equipment considerably.

This statement also would be true with regard to automobiles in Canada and a great number of other things. A basic unit could be produced for a very reasonable sum of money. But we have not yet found any method of persuading companies to produce according to our needs and desires. Rather they produce to satisfy the market in which they can sell their particular product.

I believe the various segments of the industry should be given an opportunity to appear here. Not only should they be given the opportunity but they should be instructed to appear before the committee. Time is limited. I would suggest that we should have this investigation completed before too long, either this session or early next session, because we know and realize the fear the hon. member for Essex East (Mr. Martin) expressed, that we will be facing an election and that this will be a promise in the election platform rather than an actual fact.

I am pleased that the minister has now seen fit to do something with the agricultural committee which I think is constructive and which is very basic. I hope that the committee will be givan all the authority it needs in order to get a true picture so that parliament itself can decide who is the fly in the ointment. When they decide who is the fly in the ointment they can do something about the problem.

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, I would like to take a few minutes of the house's time to answer a couple of charges which have been made by members of the opposition that this is an election issue.

The hon. member for Kootenay West (Mr. Herridge) suggested that the farmers should buy co-operatively. For his benefit, let me tell him that every farmer needs his own machinery. I have an expensive combine, and last year I had three days of fine weather to take off my crops. If four or five farmers together bought that piece of machinery, what could they do with it on an occasion like that? The previous year we had four days of good weather, so suggestions like that seem to me to be ridiculous.

[Mr. Peters.]

I always like to listen to the hon. member for Essex East (Mr. Martin) speak on agriculture because he can rant around and always turn it into a political speech. May I say that when I speak of agriculture I have had experience. I would say I have had twenty years more experience than the hon. member for Essex East has had, or perhaps I should say 19 years and 364 days. I have before me an editorial from the Ottawa *Journal* of February 17, 1960 which reads, in part, as follows:

Political piglet gives Paul rough time.

He was speaking in Kingston, Ontario, so I will give the hon. member credit for one day's farm experience that week.

I would also like to draw the attention of this committee to the fact that on April 23, 1959, at page 2985 of *Hansard*, I drew the attention of the house to the situation with regard to the price of machinery. On page 2991 of *Hansard* for the same year the hon. member for Bow River (Mr. Woolliams) drew the attention of the house to the price of machinery. If we look back to the year 1953 when the Liberals were in power, did they do anything to help us out of the squeeze we were in? Absolutely nothing. The only thing I can remember their doing was at a meeting in Manitoba when one of the farmers got up and asked the Right Hon. C. D. Howe "How about the price of oats?", and he poked the farmer in the stomach and said, "You look well fed". That is the kind of support we had from those gentlemen. This government has been interested in the price of machinery and the welfare of the farmer, ever since elected. This matter is no election issue because this question has been brought to the attention of the minister by the farmer members of this party.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, might I say at the beginning of my remarks that the hon. member for Battle River-Camrose (Mr. Smallwood) boasted about the greater agricultural experience he had had than the hon. member for Essex East (Mr. Martin). While listening to him I looked at the Parliamentary Guide and discovered that I had lived on a farm for ten years before the hon. member for Battle River-Camrose was born.

However, it was not to give that autobiographical detail that I rose to speak. I rose to speak because of something said by the hon. member for Kindersley (Mr. Hanbidge) before the dinner recess, when he said that the Liberals when in office had not done very much about this matter. I think the hon. member for Kindersley perhaps has forgotten that at the end of the war the tariff was taken off farm machinery completely

by a Liberal government and that the farmers in Canada are able to buy their machinery in the cheapest market there is anywhere in the world, thanks to a Liberal government.

In view of the fact that there is that free choice anywhere in the world in the buying of machinery, it seems to me that there is not very much hope of much that is really practicable being accomplished, particularly when starting a committee inquiry which, if there were any justification for it at all, should have been started in February and not late in June when the house is sitting in the mornings as well as in the afternoons. One wonders whether the real purpose of this motion is not to try to provide some sort of feeble substitute for the deficiency payments that the government has denied the farmers or for the acreage payments which, despite what one of their spokesmen in western Canada is saying, the government is doing nothing whatever about.

Mr. L. E. Cardiff (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, the strange thing to me is that no matter what is brought before the House of Commons there are always two or three hon. members on the far side of the house who cannot refrain from putting in a few political jabs for their own benefit. The only thing wrong with the Liberal members of this house as far as this bill is concerned is that—

Mr. Chevrier: It is not a bill.

Mr. Cardiff: Well, resolution, whatever you want to call it—is that they are afraid it will be of benefit to some of our farmers. I have sat in this house for 20 years and most of that time I faced a Liberal government. In the time I have been in this house I can say that the Conservative government has done more for the farmers of this country in the three years they have been in operation than the Liberals did in 22 years. Nobody can deny that and you can go to the country any place. Regardless of that fact, although the farmers are not getting their share of the national income they still think that this government has done more for them than the Liberal government did in 22 years.

Mr. J. S. Speakman (Wetaskiwin): Mr. Speaker, I would like to add a few words to what has been said and to ask the hon. member for Timiskaming (Mr. Peters), one of the farm experts, if when he suggests that the union officials be called he also suggests, or agrees with me, that the money which is paid to the union officials who are non-producers adds to the cost of machinery.

Mr. Peters: No, it does not.

Mr. Speakman: I would also like to urge that when the committee does have these people before them they inquire into the stocking of replacement parts for older machinery. That matter is now a rather sad one because farmers using old machinery find it difficult to get replacement parts. This matter has been urged by the farmers unions of Alberta for some time and I hope the committee will inquire into that question.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I rise to speak on this motion, first because it was in the committee where the subject was raised. Since I was the one who suggested it I feel that I should stand at this time and tell the opposition the reason why it was suggested.

There was no thought in my mind of political motives; I can assure the hon. members opposite of that. It was out of a feeling which comes from having lived in close association with farmers in western Canada and of being a farmer myself. Let me say that the agriculture committee when it has made the study and completed its deliberations will report back to the house. In the meetings of the standing committee on agriculture and colonization, which is made up of a cross section of all people in all parties in this house, each member of the committee will have full opportunity to cross-examine the witnesses which appear before the committee.

I see no political implications in this whatsoever. The purpose behind this suggestion contained no thought on my part of any persecution of any machine companies. It was simply to provide an opportunity of which advantage can be taken to study the price of farm machinery. It will be the function of the committee to call witnesses before it and to examine the facts; in other words, to get the facts clarified and get them on the table so that they can be examined. Let everyone who can make a contribution to the solution of this problem do so when the matter is before the committee.

As one moves among the farmers of western Canada he finds there is no problem which occupies more attention or causes more discussion than the cost of farm machinery. I am told that the costs of some machines have risen by 200, or even 300 per cent. If this committee wants to find out what are the reasons behind this startling rise in the cost of machinery, let it devote its best efforts to the task. The farmer is faced with the problem of costs on one hand and the price of his commodity on the other. He is caught in the squeeze which is known as the cost-price squeeze. His net income is shrinking year after year. It is to examine this question, to go back behind costs and prices in order to

see what can be done to give the farmer a square deal—that is the end result hoped for in this study of farm machinery prices.

I want to say in closing how grateful everyone in this house should be for the forward-thinking and considered motives of the government and of the Minister of Agriculture (Mr. Harkness) in permitting this resolution to come before the house. It is a constructive proposal. It is one for which the farm people are asking. It is a subject upon which letters reach me every day. Perhaps this is because in my constituency of Macleod in southwestern Alberta I happen to be a farmer as well as an economist; perhaps it is because one third of the wheat in the province of Alberta is grown in my constituency. Little wonder I rise at this time to say what I have said concerning the need of a thorough and far-reaching investigation into the price of farm machinery as it affects the net income of farmers.

Mr. W. C. Henderson (Cariboo): No one can dispute that I am a farmer. That is one thing. Another thing is that no one can say: "I was born ten years before you", because I certainly am no chicken. I have been through all the stages of farming. I came into the Peace river country very early on. We had four horses and four bottom plough, also a breaking plough but we came to the point where we did not know whether we owned the place or whether the machinery company owned it.

That is what is wrong today. The cost of machinery is too high. The cost of repairs is too high. The farmer out west does not want to milk cows. He wants to buy milk at the store or he wants to buy his margarine at the store. He does not buy butter. That is one of the things that is wrong with farming. When we were on the farm we milked a slew of cows every night. We worked the horses long hours. Now a young fellow wants to work ten or 12 hours on a tractor costing $10,000. The tractors have to be large; they have to draw five ploughs instead of the old-time gang plough. They have to be diesel, and everything has to be done in a hurry. That is another of the things that is wrong with farming.

Then again, the cost of machinery repairs is too high. Why that should be, I do not know. That is what this committee is going to do. We are going to find out why.

We know that farming is in a dire situation. In the Peace river country we are getting by. We are growing grass seeds. We have a market in Europe, and we sell all kinds of grass seed. We are even growing blue grass seed. As long as there is a good market, you are all right. Again, we grow lots of barley there, and our wheat is doing fine. The wheat was up, probably three weeks ago, then we had a snow storm. We had two feet of snow there. But that does not hurt the wheat, though it would probably affect oats and barley.

We have to find out where the farmers' extra money is going. A farmer makes $7,000, $8,000 or $10,000 a year, yet he probably has nothing after he has paid off his creditors. He is broke and has to start right back in again. It is the greatest "next year country" you ever saw, especially the country where we live. Always next year. But it is a great country, and one of the best.

We shall make out all right. We are Canadians. We have always made out and if this committee can just help us a little we shall do just fine.

Mr. D. M. Fisher (Port Arthur): Hearing the remarks of the previous speaker reminded me of one of my favourite House of Commons stories. The comment I have in mind was made by a former Liberal member from Saskatchewan by the name of Studer. He was speaking of how long he had lived on the prairies, and he went on to say that unfortunately he and his dad had not started in a sod hut in the way so many people who had gone to the prairies had done. "We did not start in a sod hut" he added, "but once dad made a little bit we sure moved into one fast".

I mention this story in a sense as an excuse for speaking on this occasion. I have not much agriculture in my constituency, and if the present trend continues we are going to have even less. However, there are several points in connection with the operations of the committee that I should like to bring to the attention of the house. I think we all recognize that this kind of investigation is likely to require considerable statistical analysis and a great deal of economic figuring. I have not heard from the minister whether he believes that this committee should be provided with economic assistance; I mean, the assistance of economists and also of some kind of counsel to arrange for appearances and that type of thing. My experience is that committees of this house in the main are not equipped to carry on an investigation, especially from one session to another, on a topic as complex as this without any type of economic advice. I think the best thing the committee could do would be to search around and find a good agricultural economist to be its guide in the analysis, especially, of company reports.

I have in my hand a pamphlet put out by the Canadian Labour Congress called: "The

real story behind the rise of prices of farm machinery". This was published in 1958 and the figures contained in it were taken from the dominion bureau of statistics. I want to outline what this pamphlet seeks to put over in order to make the point that economic analysis is going to be very important in getting to the root of this problem. The pamphlet starts by saying that prices rose 94 per cent in the 12-year period between 1945 and 1957.

It makes the point, again from statistical analysis, that workers' earnings were up 108 per cent but the total number of workers required in the agricultural implement industry in Canada was down 31 per cent; that the total wage bill was up 43 per cent—there are statistics and charts to support it—that the total gross production was up 113 per cent; the net value was up 93 per cent; the production per worker was up 180 per cent but the wage share of sales was down. In 1945 wages made up almost 65 per cent of the net value of agricultural implement production and in 1957 the percentage had fallen to 48. The pamphlet goes on to ask how a fall in wage costs can cause a rise in prices. In my opinion this kind of analysis will have to be made of the agricultural industry before any conclusions can be reached.

In the last hour or so I checked the indexes of *Hansard* over the years to discover how much interest had been shown in this topic in the house. Going back to 1952 I was surprised to find that the topic was not raised very frequently. It was raised occasionally by Social Credit members from Alberta and by C.C.F. members from Saskatchewan but it has not been a topic of much concern since 1952. At that time there was considerable interest because of the investigation that had taken place in Saskatchewan. I propose to read from *Hansard* of April 22, 1952 at page 1487. Mr. M. J. Coldwell speaking on that occasion said:

> I wanted to say something about farm implement prices. I have just examined a copy of the final report submitted by the Saskatchewan legislative committee on farm implements and passed unanimously by the legislative assembly of that province on April 4. This committee was appointed to inquire into the prices of farm machinery with the object of determining the possibility of establishing parity in prices between farm machinery and the prices of farm products.
>
> Its significance can be determined when one considers the importance of machinery to those engaged in modern mechanized agriculture. The trend toward mechanized farming, not only in Saskatchewan and the prairie provinces but indeed all across Canada, has progressed with great rapidity over the years with the result that farm implements are more important than ever to the farmer. Yet despite the importance of this subject to a large section of our economy the committee reports that the four major companies of the farm implement industry, namely, John Deere, International Harvester, Cockshutt and Massey-Harris, failed to provide the committee with the necessary information to carry out its inquiry. However, this did not prevent the committee from obtaining evidence which clearly indicated high prices and resulting high profits in that industry.

The Saskatchewan committee recommended that in view of the failure of the above companies to comply with the committee's request for information and in view of evidence submitted indicating very high prices and profits the federal government be urged to immediately institute an investigation of the farm implement industry by a parliamentary committee. Despite the Liberal party's great love for the farmers and the wonderful deeds it performed for them it never got around to following up that recommendation and establishing a parliamentary committee. Mr. Coldwell went on to point out that the parliamentary committee established in 1937 brought out a report similar to that brought out by the Saskatchewan committee. It, too, was very critical of the machinery manufacturers.

The present committee has a real job on its hands. I am pleased that it is going to tackle the problem even though it is late in the session. The establishment of the committee indicates that the minister is listening to some of the backbenchers from the west. From talking to them I know it is a major concern of theirs. I hope the minister will do his best along with the committee to encourage the work of the committee on a basis that has expert advice.

In launching a study of this nature, as the hon. member for Timiskaming (Mr. Peters) said, you have to take into account the union relationship. I know there is a strong feeling on this question in the united automobile workers which is the union that happened to organize most of the farm machinery plants. They would like an opportunity to present and prove the case—they think they can do it—that it is not the wage part of the costs of machinery that has sent prices skyrocketing to the extent they have. I know they will welcome an opportunity to cooperate with the committee in its study.

Before taking my seat I want to rebut the hon. member who suggested that the salaries of union officials have contributed to the increase of farm machinery costs. I think the hon. gentleman should be fair to union officials and recognize that they are not on the payroll of any of the companies. Their pay comes from fees paid by members of the union. As far as I know membership fees have never been a part of the contribution management makes. That is the contribution the employee makes—

Mr. Speakman: Yes, out of his wages.

Mr. Fisher: Yes, what is wrong with that? I hope the Conservative party to a degree is supported out of the wages of some Canadians.

Hon. D. J. Walker (Minister of Public Works): Mr Speaker, I was going to say something about the setting up of the committee but since there is such unanimity on all sides of the house may I respectfully desist from saying anything in the hope that perhaps the motion could be put.

Mr. Frank Howard (Skeena): Mr. Speaker, I trust the minister's wishes will be met eventually as they are on all matters. It is regrettable that a motion of this importance should have been introduced in what some hon. members opposite like to think are the dying weeks of this session. It follows the pattern established by the government of holding up matters of importance until the last moment. It would have assisted the farmers and members of the committee if the matter had been brought forward early in the year.

In the past five or six years there has been a 6 per cent increase in farm implement prices, as those qualified to speak about agriculture will verify, with no relationship to the wages paid in that industry. Wage increases have not kept pace with increases in the price of machinery.

About two years ago farm machinery prices increased by 6 per cent across the board coincidentally with the dollar an acre payment made to the farmers from the federal treasury. Farm people tend to attach the blame for high farm machinery prices to the wages paid to the workers in that industry. I know, too—not having a farming background but an industrial field background—that I can look back to the time when industrial workers were of the opinion that the main reason farm products were high priced and increasing in price was that the farmer spent six months of the year in California or in Florida. We know how ridiculous that is, but this attitude existed and this feeling was developed by those who apparently did not want the industrial workers to know the facts but wanted to leave the impression with them that the farmer was at fault in so far as the cost of his products was concerned. I am not getting away from the subject matter under discussion, Mr. Speaker, but I did want to make a comparison between the two industries and the attitude that existed at that time.

In 1936 or 1937 a committee of this house studied substantially the same question and came to some conclusions about farm machinery prices. This may be good background information for the members of the committee when they study this particular subject. I should like to give one brief quotation from page 18 of the report of the committee, which reads as follows:

> The committee concludes, therefore, that there is competition in the matter of securing sales, but little or no effective competition in the matter of prices as between companies. In January, 1936, and throughout the period, increases in the price or maintenance of prices when a decrease should have been expected occurred simultaneously in all the companies.

There is one reference to the fact that there is a fairly co-operative spirit and there was a fairly co-operative spirit among farm implement machinery companies some 25 years ago. The same thought exists at the moment. I have the 1958 report of Canadian Co-operative Implements Limited. This is a report made directly to the annual meeting. In this report reference is made also to price agreements and price collusion and that there was no price competition between farm implement companies in the sale of their products or of their machinery and equipment. I do not wish to read the whole report but merely to refer to this reference to show that this is part of the annual report. As the hon. member for Port Arthur (Mr. Fisher) pointed out—I think this is a valid suggestion and is one which should have been given consideration before—what affects farm machinery prices, what causes them to rise, takes in the whole field of profits, wages, transportation costs, distribution costs, production costs, productivity, all sorts of other similar factors.

Most committees of the house have some difficulty in dealing with complex problems of this nature and operate on a sort of scatter-gun basis. This is no reflection on the members of this house or of the committee; it is just unfortunate because of the other work that members have to do, because of the lack of research facilities and assistance available to them. Because of this most members of the committee find it extremely difficult to go too deeply and thoroughly into any such subject as this which involves all of those complex and interrelated factors. In order for this committee, even at this late date of the session, to do an effective job in analysing and carrying out the responsibilities which this house is about to give to it, it should have attached to it a research staff on agriculture consisting of agricultural economists and someone in that field who is able to counsel the committee and study and prepare material for the committee to come to grips with the problem. Without such research facilities and research staff being made available to the committee I am of the

opinion that it will be relatively ineffective in getting to the root of the particular problem itself.

Because there is a short time between now and the end of the session I would rather expect that this house should also give authority to this committee to function, to meet, travel and study this question in the time between this session and the next session of parliament in order that they may make an unhurried approach to this problem and, with the research staff that they should have at their disposal, be able to make as thorough a study as possible of this particular question.

I also think that the committee should have complete and ready access to all of the information and files of the combines investigation branch which periodically over the years has dealt with and followed up the question of farm machinery prices. If these three things are done, Mr. Speaker, we will have an opportunity to do something about this matter and we shall have every hope to expect from the committee a report that will indicate a thorough study in depth and an analysis and be able to make recommendations based on a thorough study of the problem and what should be done to overcome it.

I reiterate the three points. I think the committee should have attached to it a staff of research men, statisticians, economists; people of that nature who would work with it and counsel it. I think it should have authority to meet between now and the next session and during the next session also, if necessary; it should have the authority to travel and to study this question as thoroughly as possible. I think it should also have complete access to the files of the combines investigation branch, as well as being given the opportunity to hear every last possible person, union, corporation, and otherwise who wishes to appear before the committee to present their arguments and their cases.

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I was very glad to learn that this motion has received strong support from every part of the house. But in view of that fact, it was rather odd to hear the amount of carping criticism of the motion which managed to be produced by hon. gentlemen opposite. They appear to be strongly in favour of the setting up of the committee but still they want to strongly criticize it.

I must say I was disappointed in the line taken by the hon. member for Essex East (Mr. Martin), followed by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) and to some extent by members of the C.C.F., in which they imputed to me entirely political motives in setting up this committee. While I was disappointed in their taking that line I must say, Mr. Speaker, I was not a bit surprised because some people's minds run only in one groove and they just cannot get out of it. However, I can assure, Mr. Speaker, and through you, hon. members opposite, that their ever present suspicions along those lines are followed by their own thoughts along that line and have no foundation in fact so far as I am concerned in connnection with this particular matter.

As far as the procedure followed by the committee is concerned, hon. members here are aware that the procedure in each committee is in its own hands; it makes its own decisions in regard to how the inquiry it is engaged in will be carried on, and I have no doubt that that procedure will be followed in so far as this committee on agriculture is concerned. In this particular case the committee has the full powers of any other committee to send for persons, papers, and so on.

Some question was raised by hon. members opposite and criticism voiced over the fact that the committee is being given this particular inquiry to carry out at this particular time in the session. The answer to that is very simple indeed. The agriculture comittee has been occupied up to this time with an inquiry into the milling of feed grains and the marketing of such grains in western Canada. That was an urgent matter requiring investigation and the committee has been quite fully occupied with that field of inquiry. But now that that inquiry has drawn to a close the committee is being given this subject matter for investigation by them.

I was rather interested in seeing that all of the members of the C.C.F. party present seemed to think it was necessary to speak in support of the motion and they also seemed to think it was necessary in a way to put up a defence of the labour cost factor in farm implements. Why they should have felt that was necessary I do not know.

Mr. Howard: Why don't you be factual once in a while?

Mr. Harkness: The hon. member who has just spoken is one of the last people in this house to interject "why don't you be factual once in a while". He is the greatest example to the contrary among hon. members of this house. As I was saying, Mr. Speaker, I was

surprised that the C.C.F. seemed to think it was necessary to enter a defence of the cost of labour with relation to farm machinery before the inquiry has been held.

Mr. Martin (Essex East): There was a charge made by one of your own members; one of your own members made an attack on labour.

Mr. Harkness: No attack on labour was made by one of our members.

Mr. McIlraith: Oh, yes, there was.

Mr. Harkness: This is part of the general line followed by the hon. member for Essex East (Mr. Martin) of attempting constantly to attribute to somebody something which the actual words uttered do not really bear out. In any event, I can only reiterate that I am glad that apparently all hon. members of the house support this move. I also express the hope that the inquiry will prove to be very fruitful. It is certainly a big field and I am sure that the committee will do a good job.

Motion agreed to.

WAYS AND MEANS

The house in committee of ways and means, Mr. Flynn in the Chair.

INCOME TAX ACT

Resolved, that is it expedient to introduce a measure to amend the Income Tax Act and to provide among other things:

(1) That the increase from 10 per cent to 13 per cent in the deduction from tax granted to taxpayers in a province which imposes an income tax on individuals be continued for the 1960 and 1961 taxation years.

(2) That for the 1960 and 1961 taxation years the deduction from tax allowed to corporations in respect of income earned in a province which imposes an income tax on corporations and in which arrangements exist for the replacement of federal grants to universities by additional provincial grants in accordance with the proposed amendments to the Federal-Provincial Tax-Sharing Arrangements Act be increased from 9 per cent to 10 per cent in respect of income earned after December 31, 1959.

(3) That for the 1960 and subsequent taxation years the maximum amount deductible from income on account of medical expenses be increased to $3000 for taxpayers who are entitled to claim the deduction for married status and $2500 for other taxpayers (not exceeding $3000 for husband and wife together) plus $750 in respect of each dependant of the taxpayer up to a maximum of $3000 in respect of dependants.

(4) That for the 1960 and subsequent taxation years, where a person who formerly carried on a business in Canada the income from which was computed by the cash method has ceased to be a resident of Canada, there shall be included in computing his income from the business for the last year in which he resided in Canada the value of the accounts receivable and inventory at the time he ceased to reside in Canada.

(5) That with respect to any amalgamation after March 31, 1960 any share other than a common share of a new corporation resulting from an amalgamation shall be deemed to be a liability of the new corporation for purposes of section 105C of the act.

(6) That for the 1960 and subsequent taxation years no deduction shall be made as an allowance in respect of an oil or gas well or a mine in computing the income of a non-resident-owned investment corporation.

(7) That for the 1960 and subsequent taxation years, for purposes of calculating the amount of the credit a taxpayer may claim in respect of taxes paid to a foreign country, the limitation at present computed by reference to the tax paid to the foreign country on that part of his income from sources in the foreign country that is also subject to tax in Canada be amended so as to be computed by reference to the income tax (other than income tax on dividends which are deductible by the taxpayer) paid to the foreign country.

(8) That for the 1960 and subsequent taxation years the rules for determining income from a source be amended to specify the deductions that shall be made in computing the income of a non-resident person from a business or employment in Canada and in computing income from sources outside Canada for the purpose of calculating the foreign tax credit allowed to a person resident in Canada.

(9) That for the 1961 and subsequent taxation years for purposes of the provision that only one of a group of associated corporations shall receive the benefit of the lower rate of tax on the first $25,000 of taxable income the present rule for determining whether one corporation is associated with another, which is based on ownership of shares, be replaced by a rule related to control of the corporations.

(10) That the four-year period, after which the minister may not make a re-assessment of the tax payable for a taxation year unless there has been fraud or misrepresentation by the taxpayer or the person filing the return, shall commence with the date of mailing by the minister to the taxpayer of the original assessment or of a notification that no tax was payable for the year.

(11) That the four-year time limit, after which the minister may not make a re-assessment unless there has been fraud or misrepresentation by the taxpayer or person filing the return, may be waived by the taxpayer by notice to the minister.

(12) That for the 1960 and subsequent taxation years a corporation whose principal business is production or marketing of sodium chloride or whose business includes extraction of sodium chloride from halite deposits may deduct in computing its income drilling and exploration expenses incurred by it in the year in exploring or drilling for halite.

(13) That for the 1960 and subsequent taxation years an individual who receives a superannuation,

pension or death benefit or a benefit under a registered retirement savings plan in respect of which any tax under the Estate Tax Act or succession duty imposed by a province was payable in respect of a death occurring after December 31, 1958 may deduct in computing his income for the year a portion of the benefit received by him determined by reference to the tax or duty applicable to the benefit.

The Chairman: May I point out that the terms of an amendment to this proposed resolution will be found on page 2 of the appendix to *Votes and Proceedings* for Friday, May 6 last.

Mr. Pickersgill: Mr. Chairman, I have one or two observations I wish to make and one or two questions I should like to put. First, however, I should like to ask the minister if we are doing to deal with the resolution paragraph by paragraph.

Mr. Fleming (Eglinton): Whatever meets the convenience of the committee is satisfactory to me. I think it would probably contribute to a more orderly discussion if the resolution were called paragraph by paragraph and if we were to adopt it a paragraph at a time.

On paragraph 1.

Mr. Pickersgill: I agree with the minister that would be the best way to do it. When the minister replies to the observations I wish to make I wonder whether he would tell the committee how much the increase from 10 to 13 per cent has netted in the fiscal years since April 1, 1958 when the increase was first made. The reason I am asking is that I have been seeking in one way and another to get this information for some time but with very little success. I put a starred question on the order paper some considerable time ago in which I asked if there had been any increase in federal payments to the provincial governments between the fiscal years 1956-57 and 1958-59 and, if so, how much. Then I asked a second question as to how much of such increase is attributable to (a) legislation enacted before June 21, 1957 and (b) legislation enacted since June 21, 1957. The third question had to do with hospital insurance which is not relevant to this item. I am not going to take the time of the committee to deal with any part of these returns except that which is really relevant to this item.

When the first return was made on April 4 it dealt only with the so-called conditional payments. I drew the attention of the house to that and a supplementary return was made on April 12. The supplementary return dealt with both conditional and unconditional payments and replied to question 1 but did not reply to question 2. A further supplementary return was made on April 26 which said that the answer was complete.

The answer is obviously not complete because there never has been any answer to the second part of this question. What I am anxious to find out, and what I am sure the minister will agree at once any member of the committee is perfectly entitled to know, is how much of the increase from 1956-57, when the old tax rental agreements were in effect, up to the present time is attributable to this particular provision which the minister is asking us to enact for another two years and how much of it, not being attributable to that, is obviously therefore attributable to other legislation, that is to say, the tax-sharing arrangements legislation of 1956. Perhaps the minister could reply to that.

Mr. Fleming (Eglinton): I have not a copy of the return before me. So far as the Department of Finance is concerned, the question was answered as far as it can be answered, because if the hon. member will examine the answer I think he will find that in some cases it is just not possible to say how much is attributable to legislation that existed on June 21, 1957 and how much is attributable to legislation subsequently enacted. In many cases the exemptions have changed and there were other matters of that kind that make it quite impossible now to answer precisely in all cases.

However, as to the matter with which we are dealing specifically now, namely the increase from 10 to 13 per cent in the deduction from tax granted to taxpayers in a province which imposes an income tax on individuals, in other words, the value to the province of the increase from 10 to 13 per cent in the yield from the personal income tax. I pointed out in the budget speech on March 31, page 2677 of *Hansard*, what this would mean. I said, as recorded in the first column:

> The increase in the provincial share of the yield from the personal income tax from 10 per cent to 13 per cent, which has benefited the provinces by $120 million in the past two years and it is estimated will mean a further $68 million to them in 1960-61, by itself accounts for approximately one third of the total increase.

That was the increase in the total cost to the treasury by way of unconditional payments and tax abatements.

Mr. Pickersgill: Of course I recognize that under this particular item I cannot ask the minister to do more than to give information similar to that which he has now given, and that is all I did ask at this time. But I might point out to the minister, since he has suggested in his answer that this is a difficult thing to do, that in fact his department did do

it with respect to practically all of the unconditional payments and seemed to have found relatively little difficulty, I take it, except with respect to unemployment assistance.

Mr. Fleming (Eglinton): There was of course, a reason for that, with the removal of the threshold provision in late 1957.

Mr. Pickersgill: I understand that matter perfectly. But in so far as the tax-sharing is concerned, there would appear to be no difficulty whatsoever about being precise about it. As the minister knows very well, apart from the Atlantic provinces grants which are a fixed sum—and therefore anybody knows what they are—the only other change that has been made by the present government is precisely this change here. Therefore everything that is paid under the tax-sharing arrangements act, except whatever change there is here, it attributable to legislation enacted before June 21, 1957. As the minister must readily admit, there is no change whatsoever in the tax-sharing arrangements act except this change which we are now being asked to extend for two further years. I wonder whether the minister could give the precise figure for each of the two years. In the budget speech he said $120 million. He gave a fairly precise estimate for the current fiscal year. Can he give the precise figure for the two years that are past?

Mr. Fleming (Eglinton): I have given that information on several occasions in the house previously. I do not pretend to have the figure with me just now. I may be able to direct the attention of the hon. member to some earlier reference in *Hansard* where I have given the figure. I shall be glad to supply it to him. It has been put on record at least a couple of times I think this session, but I shall be glad to supply it.

Mr. Pickersgill: I do not want to hold the matter up, Mr. Chairman. If the minister will undertake to supply it at a convenient opportunity that will be quite satisfactory to me. But in saying that I might point out one thing. When this question of mine was made an order for return I protested in the house because I anticipated that if it was made an order for return there would be precisely the kind of difficulty there has been. I should also like to remind the minister through you, Mr. Chairman, that once a question is made an order for return, it is an order of the house and the minister is under an obligation to provide the information; he has not any of the option that a minister has with regard to a question.

Mr. Fleming (Eglinton): The answer was given to the hon. member's question as fully as it was possible to give it.

[Mr. Pickersgill.]

Mr. Pickersgill: I simply cannot accept that statement, Mr. Chairman. Of course, we in the opposition feel that there seems to be quite a bit of difference between the kind of information that is given to us and the kind of information that seems to be used by ministers of the crown, notably by the Prime Minister in that extraordinary and fantastic broadcast which the Prime Minister made on November 25 over television on "The Nation's Business" when he asserted that the present government was responsible for all the increases in payments to the provinces since the last full year that the Liberals were in office. That was one of the most thoroughly misleading performances that any public man has ever been responsible for. In this house on February 1 I showed that the greater part of those increases was due, not to legislation by the present government but to legislation by the previous government. It seems to me that when claims of that sort are made and when we seek in one single place in the record to get the information as it really is—the real facts so that they can be used properly—the government should show enough respect for parliament to provide it.

Mr. Fleming (Eglinton): I can only repeat that on the question put by the hon. member, which was made an order for return, the information was given as fully as it was possible to give it, according to the form in which the question was asked.

Mr. Pickersgill: I draw attention once again to the fact that no answer has been given to question No. 2 in so far as unconditional payments are concerned.

Mr. McIlraith: Read question No. 2 into the record.

Mr. Pickersgill: Question No. 2 reads as follows:

> How much of such increase is attributable to (a) legislation enacted before June 21, 1957; (b) legislation enacted since June 21, 1957?

All that would be required to answer that question is to say how much is attributable to this increase from 10 per cent to 13 per cent, how much comes from the Atlantic provinces grant and say that is attributable to the period since June, 1957. Obviously it is a simple matter of subtraction to arrive at the amount that is attributable to the legislation before that time. If the minister has not officials—and I know he has them—who can do these simple arithmetical operations, he ought to get them.

Mr. Rapp: I should like to ask the Minister of Finance whether he is in a position to give a break-down as far as the provinces are concerned. In particular, I am interested

in my own province of Saskatchewan. How would this amendment affect the grants to the province of Saskatchewan?

Mr. Fleming (Eglinton): That information was given at the resolution stage on the measure to amend the Federal-Provincial Tax-Sharing Arrangements Act considered recently. I put on the record a break-down indicating the distribution among all the provinces. I think the hon. member for Bonavista-Twillingate will also find there the figures he asked for earlier.

The Chairman: Shall paragraph 1 carry?

Some hon. Members: Carried.

Paragraph agreed to.

On paragraph 2.

Mr. McMillan: I think I recall that when the Minister of Finance was replying in closing the debate on the amendments to the university grants he said at that time that this government during the last fiscal year and the present fiscal year would have contributed in respect of those two years $190 million more than the Liberal government under the old formula. This statement may be true. But it is also true, I think, that the provinces and the municipalities will be no better off. I think—and I have seen figures to prove it—that in that time the provinces and the municipalities will be paying more than $190 million in extra interest. I know that in the same period of time the very same people in the provinces and the municipalities will be paying something over $300 million in extra interest in servicing the federal debt.

Mr. Fleming (Eglinton): I rise on a point of order, Mr. Chairman. This clause has nothing whatever to do with interest. It has to do with a provision arising out of legislation already adopted during this session to increase from 9 per cent to 10 per cent the abatement in respect of income tax in the case of federal corporate taxpayers residing in provinces which collect their own corporation income tax.

Mr. McMillan: It has to do with the need of the provinces and I think anything that has to do with the need of the provinces is relevant. We are providing for that need here in voting this money from the corporation tax. I do not want to spend any time on this matter but it seems to me that the provinces have greater need for this money than they had previously.

The Chairman: May I draw the attention of the hon. member to the fact that paragraph No. 2 refers only to the increase from 9 per cent to 10 per cent in the percentage of the federal corporation tax which may be deducted only in cases where the federal grants have been replaced by additional provincial grants. Therefore this 1 per cent additional can have reference only to the provincial set-up of university grants and may not have reference to the general use of the money collected heretofore by the provinces by way of corporation taxes.

Mr. McIlraith: Mr. Chairman, on the point of order, do I understand you to rule that it is not proper when discussing this resolution, which has to do with additional benefit being given to the provinces because, presumably, of the need of the provinces for additional moneys, to show what causes their need?

The Chairman: It might have been indirectly relevant to paragraph 1, but we are now discussing paragraph 2. Paragraph 1 has been adopted. It has been agreed that the committee will study this resolution paragraph by paragraph, and paragraph 1 has been adopted. Paragraph 1 had general reference to the finances of the provinces but paragraph 2 has relation only to the 1 per cent additional tax permitted for setting up grants under provincial legislation. That is why it may not have to my mind reference to the general needs of the provinces.

Mr. McMillan: Mr. Chairman, I thought we were still on paragraph 1, but I was of the opinion that if the provinces did not need the money we would not be voting it.

The Chairman: Order. Paragraph 1 has been adopted by the committee. If the committee wishes to give permission to the hon. member to revert to paragraph 1 I have no objection, but he certainly cannot discuss what he has been trying to discuss under paragraph 2.

Some hon. Members: Agreed.

Mr. McMillan: Am I allowed to speak on No. 1?

Mr. Fleming (Eglinton): Mr. Chairman, I cannot agree that it would have been permissible on paragraph No. 1 to talk of the needs of the provinces. That is not the point of these resolutions at all. We passed legislation earlier in the session on that subject when it was debated at great length. We had a whole series of debates at various stages of the bill to amend the Federal-Provincial Tax-Sharing Arrangements Act, and that is where it was discussed at great length.

This is simply legislation designed to amend the Income Tax Act to carry out certain effects. There is nothing in the resolution we are now discussing making any provision for the provinces at all. On the contrary, we are dealing with the matter of an abatement

in the case of federal corporation taxpayers in a province which collects its own corporation tax.

Mr. McMillan: Mr. Chairman, I will not pursue the matter further except to say that in closing the debate, as I said before, the minister said there was $190 million coming in in those two fiscal years to the provinces. We thought he was out of order at that time in bringing the matter up on the amendments to the university grants, and if we cannot bring it up at this time, we can probably bring it up during the course of his estimates.

The Chairman: Shall paragraph 2 carry? Carried.

Paragraph agreed to.

On paragraph 3.

Mr. Speakman: I would just like to ask the minister a question with reference to paragraph 3 in which the amount deductible from income on account of medical expenses is being increased. Could the minister tell me if any portion of this is allowable for domestic help in the case of a chronic female invalid, where domestic help is required on a full time basis in the household?

Mr. Fleming (Eglinton): No. This applies simply to husbands, wives and dependants.

Mr. McMillan: I had an inquiry yesterday about this $3,000 exemption. Does that apply to the calendar year or to any 12 months which the taxpayer might select?

Mr. Fleming (Eglinton): Taking the last question, Mr. Chairman, section 27 of the act deals clearly with that matter. It is within a period of twelve months ending in the taxation year in question.

Mr. Benidickson: Mr. Chairman, I would like to say a few words on this paragraph.

Mr. Fleming (Eglinton): Mr. Chairman, before the hon. member proceeds, may I say I may not have fully apprehended the previous question. I apprehended it as applying to a person in the same domestic household as the wife or dependant child on whom there had been expended certain medical expenses. But it may be the hon. member was asking rather about the definition of medical expenses. If so, I would direct his attention to the provisions of section 27 (1) (c) (iv) of the act, which provides that the definition of medical expenses will include payments made—

> As remuneration for one full-time attendant upon, or for the full-time care in a nursing home of, the taxpayer, his spouse or any such dependant who was throughout the whole of a 12 months' period ending in the taxation year necessarily confined by reason of illness, injury or affliction to a bed or wheelchair.

[Mr. Fleming (Eglinton).]

Mr. Benidickson: Mr. Chairman, on this paragraph, which we are all pleased to see in that it is to some extent providing a more generous provision in the exemption of medical expenses, I must remind the minister, as I did last year—indeed he acknowledged that my reminder was in order—that he himself throughout a great many years in this house felt that these limitations should be removed completely. His reply last year simply was that he had not forgotten his earlier statements, but in a year when it was necessary to raise taxes, while he did not think it was a good time to drop the floor with respect to medical expenses, we were not at that time dealing particularly with the ceilings.

I know that the minister this year has been receiving representations from a great number of very large organizations across Canada, such organizations as chambers of commerce and organizations representing workmen, such as the national legislative committee of the international railway brotherhoods. The latter in its submission to the cabinet in January urged that this section be amended much beyond what is proposed in this legislation, and it urged that all expenditures made by the taxpayer for medical care for himself and for his dependants be deductible.

I also hope that the minister will discuss some of the proposals which were made to him by the national chamber of commerce. They went a little further; at least they had some more specific suggestions to make with regard to medical expenses. They recommended that the 3 per cent floor apply to incomes after personal exemptions under section 26; and in addition they recommended that any excess not deductible in any one year due to insufficient income be deductible from income of the preceding year or that of the next succeeding five years. These are among recommendations that have been coming forward from year to year and when improvement in the section is taking place I would hope that perhaps they might be included in the bill which is to be presented to us at a later date. Perhaps the minister might comment on that.

Mr. Fleming (Eglinton): I have no comment to make on the various representations which have been made. The representations are all considered along with other representations, and so far as this particular subject is concerned the resolution embodies the proposals of the government respectfully tendered to the house.

Paragraph agreed to.

On paragraph 4.

Mr. Benidickson: This is a rather interesting resolution, Mr. Chairman. I take it that it contemplates that the crown would hope to match for taxation purposes the accounts receivable, say, of a professional man or businessman who was leaving the country. If he has been on the cash method and leaves the country taking his assets with him I am wondering just how in a practical way the revenue department proposes to enforce this provision?

Mr. Fleming (Eglinton): I cannot be specific in every regard in answer to the question raised by the hon. member, but the paragraph proposes an amendment to block a loophole which at present exists where a person who has carried on business in Canada, for which the income was computed by the cash method, gives up residence in Canada.

If a person calculates his income by the cash method he does not take into income accounts receivable or the proceeds from the sale of inventory until they are actually received. It may happen that a person who has carried on business in Canada and built up a volume of accounts receivable gives up residence in Canada before collecting these accounts. These accounts represent income earned in Canada but at present they would escape tax if paid to a non-resident. The proposal is that they be valued and included in the income of a person for the last year in which he resided in Canada.

Specifically concerning the question asked by the hon. member for Kenora-Rainy River, one can say that the department will have open to it the normal methods of collection in such a case. If the individual concerned should decamp to another country taking with him everything he owns and leaving nothing behind, it will obviously not be a simple matter to collect, but that is no reason for leaving a loophole in the act which in such a case would create no tax liability in these circumstances.

Paragraph agreed to.

On paragraph 5.

Mr. Benidickson: I think this refers to section 105(c) which has been subjected to amendment at this stage annually when we are looking at the Income Tax Act. I take it the minister has found some further loopholes which were not anticipated last year. I think, in the accounting phrase, we are referring here to something in the nature of vertical merger dividend stripping. Do I understand that what the minister is attempting to do is to assure that when two firms join there will be in all cases a 20 per cent tax on the amount of their assets less their liabilities?

Mr. Fleming (Eglinton): Yes, and to prevent the corporation in that case escaping liability for the tax by the provision of preferred shares as consideration instead of an indebtedness.

Mr. Benidickson: I believe this will become effective only on March 31—budget day of this year—so that since the amendment last year perhaps a couple of hundred corporations have been able to take advantage of this loophole.

Mr. Fleming (Eglinton): That is correct. This provision will apply to any amalgamations occurring after March 31, 1960, which was budget night.

Paragraph agreed to.

On paragraph 6.

Mr. Benidickson: I understand the change here will simply mean that with respect to a non-resident-owned corporation it will no longer be able to deduct from the 15 per cent tax the 20 per cent depletion allowance.

Mr. Fleming (Eglinton): That is correct. The committee will appreciate that non-resident-owned investment corporations are Canadian companies all of whose income is from investments and 95 per cent of whose shares are owned by non-residents. Such companies are taxed at a rate of 15 per cent. When such companies pay dividends to their non-resident shareholders no non-resident tax is withheld. In other words, the 15 per cent tax paid by the non-resident-owned investment corporation is in lieu of the 15 per cent tax which non-residents would have to pay if they derived dividends or interest directly from Canadian sources.

As the law stands at present a non-resident-owned investment corporation may deduct a depletion allowance in respect of dividends it receives from Canadian oil, gas or mining companies before paying its 15 per cent tax. If a non-resident received dividends directly from Canadian oil, gas or mining companies instead of through an N.R.O. he would not be entitled to any depletion allowance. This amendment is intended to withdraw this unintended advantage now available to those who receive oil, gas or mining company dividends indirectly through an N.R.O.

Accordingly this paragraph would place dividends from Canadian mining, oil or gas companies received by a non-resident through a non-resident-owned investment corporation on the same basis for tax purposes as dividends received directly by non-residents.

Paragraph agreed to.

On paragraph 7.

Mr. Broome: I want to say a few words on this paragraph, more for the purpose of trying to get clarification than anything else. This is a one-sentence paragraph of some 95 words which I have read half a dozen times. I have asked three or four of my colleagues what the exact meaning is, but it is very difficult to understand. This is what I would call a first class example of officialese, and I would suggest there is no reason why the income tax department cannot write in clear English readily understandable to the ordinary Canadian. Other statutes and other provisions are written in language which is our native tongue and which we can understand. I simply say I sincerely hope that in future a greater degree of clarity will be given to the various decrees, amendments and so on brought forward by the Department of Finance.

Mr. Fleming (Eglinton): With great respect to my hon. friend, I think this is a perfectly clear paragraph. It is perfectly clear.

Mr. Broome: Ninety five words in one sentence is rather extensive.

Mr. Fleming (Eglinton): We try to draw up all these paragraphs in the income tax resolution in single sentences and I think the draughtsman—a very competent draughtsman indeed—has succeeded admirably in this respect. Now it is not at all new for hon. members of this house to ask questions for the purpose of clarification of such resolutions, and the minister is here to provide that clarification if he can, should it be sought. That, believe me, is no indictment of the draughtsman of these clauses. I think they have been admirably drafted by a very competent draughtsman whose services are made available to the Department of Finance by the Department of Justice for this purpose.

Mr. Broome: All I want to say is that the draughtsman has completely confused me, anyway.

Mr. Benidickson: I think it indicates that perhaps it would be as well to have a statement from the minister at this stage. I, particularly, would like to know whether this has the effect of reversing a recent decision of the supreme court which dealt with this question of income from a foreign source and whether or not the result is going to be that we shall again have a continuance of double taxation in this situation.

Mr. Fleming (Eglinton): The hon. member is anticipating the decision and if I correctly apprehend his meaning I think he has in mind paragraph 8 and not paragraph 7. I may say that the purpose of paragraph 7 is to offer a less restrictive method of computing credits for foreign taxes. This is a relieving provision. I am sure that as such it is welcomed vociferously by my friend the hon. member for Vancouver South.

Paragraph agreed to.

On paragraph 8.

Mr. Benidickson: Mr. Chairman, could I now have the statement I requested. This is the item with which I was concerned.

Mr. Fleming (Eglinton): Mr. Chairman, my hon. friend is quite correct. The part of this amendment to clarify the rules for computing income from sources outside of Canada will override the supreme court decision on this point in the Interprovincial Pipe Lines case.

Paragraph agreed to.

On paragraph 9.

Mr. Benidickson: Mr. Chairman, when delivering his budget speech the Minister of Finance had this to say, as reported on page 2682 of *Hansard*:

> I am also bringing forward an amendment to deal with the problems of associated corporations to which I drew attention last year. At that time I said that perhaps it was becoming too easy to divide a corporation into a number of smaller components, each of which may qualify for the low rate of tax on its first $25,000 of income. I indicated that consideration was being given to the possible necessity of introducing some appropriate measure to deal with this method of tax avoidance. In the meantime further study has indicated an amendment of this kind to be necessary.

This again apparently is proposed loophole legislation but for the benefit of all of us in the committee I wonder if the minister could give us a few of the common examples to illustrate the kind of loopholes this is aimed at correcting.

Mr. Fleming (Eglinton): Mr. Chairman, I gave some warning in the budget speech a year ago of the steps that might have to be taken if there was not some indication forthcoming of less proliferation of small corporations with a view to taking broad advantage of the provision for lower taxation on corporations on the first $25,000 of corporate income. Notwithstanding the warning we found that this proliferation has continued and accordingly the only way in which the situation can adequately be met is to change the rules for determining what are for this purpose associated companies.

In recent years the law has provided that only one of a group of associated companies may qualify for the lower rate on the first $25,000. The rule for determining if companies are associated has been based on the ownership of 70 per cent or more of the

issued common shares of the companies concerned. When I spoke on this subject last year I indicated that an amendment might be necessary to revise the rules for determining when companies shall be deemed to be associated. I indicated that it was becoming too easy to divide a corporation into a number of smaller components each of which may qualify for the low rate of tax on its first $25,000 of income. I also indicated that consideration was being given to the possible necessity of introducing some appropriate measure to deal with this method of tax avoidance.

The amendment here proposed will necessarily be technical and I think can best be studied when we have the provisions of the bill before us. Briefly it will replace the 70 per cent ownership rule with a rule related to control of the corporation. This change is necessary because it has been found that companies can be split up under the 70 per cent ownership rule in such a way that control of the new companies and a large part of their income remains in the hands of the owners of the original company. Also the reference to common shares has been found to be inadequate because of the use of other kinds of shares. An effort will be made in the bill to recognize the fact that there may be bona fide arrangements under which control of a number of new companies remains in the hands of one person for a temporary period during the establishment and early financing of the new companies.

I point out, Mr. Chairman, that the proposed amendment is not to go into effect until the 1961 taxation year. This will afford all companies an opportunity to become familiar with the new legislation and to adjust their affairs accordingly.

Mr. Herridge: I am very interested in this clause. Suppose there are three separate small companies all formed in good faith to perform certain operations within a certain industry some years ago but the three companies are all owned by the same five, six or seven men. There are the same shareholders in each company. Although not directly related they were formed to perform certain functions in the same industry. Would they be considered related companies?

Mr. Fleming (Eglinton): I think if one avoids some qualifying circumstances, generally speaking in that case the companies would not be deemed to be associated companies, but the hon. gentleman has put his case very simply and I have given a simple answer. If there were some qualifying circumstances I might have to qualify that answer.

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Mr. Herridge: I put my question simply because it is a simple case of which I have knowledge and I expected a simple answer.

Paragraph agreed to.

On paragraph 10.

Mr. Benidickson: Mr. Chairman, this proposed amendment seems to meet one of the representations made this year by the Canadian Chamber of Commerce in its submission to the minister. In referring to section 46 (4) (b) of the act the brief read:

> Income tax appeal board cases have stated that it is not the date of mailing the notice of reassessment but the date on which the assessor completed the reassessment operation for purpose of the four-year limitation under the section.
>
> This is unfair to the taxpayer and could lead to abuse by the department. The chamber recommends that the subsection be amended to contain a statement that any assessment or reassessment is valid only from the day it is mailed to the taxpayer.

I notice that the minister does not refer here to reassessment and it appears to be the original assessment; that is, the mailing date that will become effective.

Mr. Fleming (Eglinton): The intention, Mr. Chairman, is that this should have application to the effective date of the notice of reassessment as well as the original notice of assessment. After all, a notice of re-assessment is a notice of assessment for the purposes of appeal.

Mr. Benidickson: Yes, they are equivalent.

Paragraph agreed to.

Paragraph 11 agreed to.

On paragraph 12.

Mr. Benidickson: Mr. Chairman, may I say something on the original 12?

Mr. Fleming (Eglinton): I gave notice, as recorded in *Votes and Proceedings* of May 6, that I would propose that the Income Tax Act resolution be amended by deleting paragraph 12 thereof and renumbering the subsequent paragraphs accordingly. I would ask my colleague the Minister of National Defence to move the amendment.

Mr. Pearkes: I move:

> That the Income Tax Act resolution be amended by deleting paragraph 12 thereof and renumbering the subsequent paragraphs accordingly.

The Chairman: Shall the amendment carry?

Mr. Benidickson: When I followed the minister in the debate on the budget, I think on April 4, I indicated I felt there was more in the intention disclosed in the original paragraph 12 than mere convenience to the tax administration offices. I felt it would be

found that in many instances the new provisions, although easier to calculate on the part of the tax collector, would involve a heavier burden on a number of people in receipt of certain lump sum payments after retirement. I know that I have received a great number of letters on this subject since budget night indicating that in connection with a number of retirement fund arrangements the tax would be considerably greater under the provision proposed on budget night than had hitherto been the effect of our tax rate. I think we will all be glad that the minister has decided to drop the original proposal.

Amendment agreed to.

On paragraph 13.

Mr. Fleming (Eglinton): Mr. Chairman, what now becomes 12 is numbered 13 in the original resolution. Here I have a new amendment which I should like to introduce in order to broaden the effect of this new exemption. The exemption as proposed in the resolution applied to the production or marketing of sodium chloride from halite deposits. We have had representations concerning the production of potash. Therefore, Mr. Chairman, because of the similarity of conditions under which it is produced to those under which sodium chloride from halite deposits is produced, I should like to offer the following substitute paragraph for the one formerly numbered 13 and now numbered 12, to read as follows:

12. That for the 1960 and subsequent taxation years a corporation whose principal business is production or marketing of sodium chloride or potash or whose business includes the manufacturing of products which involves processing sodium chloride or potash may deduct in computing its income drilling and exploration expenses incurred by it in the year in exploring or drilling for halite or sylvite.

I would ask my colleague the Minister of National Defence to move the amendment.

Mr. Pearkes: I so move.

Mr. Benidickson: Most of the committee will welcome the amendment as proposed by the minister. I was going to make a proposal along those lines and question why potash mining had not been taken care of. I do not think the minister has gone far enough yet. I was going to raise another question. Perhaps it can be considered in the drafting of the bill. I note that the words in the resolution restrict this form of deduction by the words "in the year". I would point out to the minister that I do not think the entitlement for deduction for drilling and exploration expenses in the mining and in the petroleum industry is restricted to within the year. I was wondering why there is a difference in the phraseology with respect to the deduction for this mining as opposed to the present provisions for drilling and exploration expenses in ordinary metal mining and in the petroleum industry?

Mr. Fleming (Eglinton): This question of the hon. member brings out clearly certain differences between the normal operations of companies engaged in mining and those engaged in the production of sodium chloride from halite deposits and those engaged in the production of potash from sylvite. Here production results from the drilling operations virtually in the same year, I think in probably every case, and it was not thought that there was any occasion for carrying over a period of years, as in the case of ordinary mining, the drilling and exploration expenses. The two cases are not in this regard strictly comparable. I think that corporations that come within the scope of this new proposed exemption will consider themselves to have acquired under this provision an exemption or benefit of some proportion.

Mr. Benidickson: Have the corporations in this line of business indicated any dissatisfaction with the wording since it was announced on budget night?

Mr. Fleming (Eglinton): The wording of this amendment to include the extraction of potash from sylvite has not been previously announced; but as to those engaged in the extraction of sodium chloride from halite deposits, the intimations we have received are of warm approval on the part of corporations that would derive benefit from this resolution.

Mr. Benidickson: On a question of amendments, except for this one, the minister has adopted a new practice—I think it is a new practice this year; I do not know whether he followed it last year or not—with respect to amendments. When he reached a decision with respect to a reasonable number of changes from his budget proposals he announced to the house his intention to put those amendments in *Votes and Proceedings*. I think perhaps that new step has a fair amount of merit in it. It is easier at least for those of us who are concerned with the amendments to see them as early in advance of debate on the resolution stage as we can. There is also at times an additional interlude for consideration of the amended proposals by the public. What is the administrative practice in dealing with the tax changes? Do the tax collectors deal with the minister's amendments which are included in *Votes and Proceedings* in the same way as they deal with the proposals in the budget resolutions

on budget night in so far as the effective date of application is concerned?

Mr. Fleming (Eglinton): First, may I express appreciation of the hon. gentleman's comment on the practice with respect to amendments which I inaugurated, I think two years ago—certainly I employed it last year—of giving as far in advance as possible the text of any amendments that we propose to introduce with respect to any of the budget resolutions and placing those in *Votes and Proceedings* of the house.

In the present case these were placed in *Votes and Proceedings* for Friday, May 6. The amendment now under discussion is one that has arisen subsequently as a result of further representations and further study of the proposed extension of the new provision. The hon. member has raised specifically a question as to the effective date of amendments. This gives rise to very little difficulty in relation to amendments of the Income Tax Act. It could give rise to questions in regard to the taxes on commodities—

Mr. Benidickson: I was thinking more of excise taxes.

Mr. Fleming (Eglinton): —where the practice has been to make the changes in taxes effective as from the night that the budget is introduced. This again is a matter of the legislation to follow. The legislation can select the date of amendment or the date of the budget. I think it will be found that in the cases here it is proposed that the amendment as well as the original resolution be made effective as from budget night. This is particularly sought by those concerned where the effect of the resolution is to relieve.

Mr. Benidickson: Yes. I do not think the minister will mind my diverting by way of example to the commodity type of taxation because it is perhaps more relevant from the point of view of its immediate application if it is to be applied immediately. The minister is aware that after budget night the Department of National Revenue sends to all its officials across the country an indication of the minister's proposals. If the minister has indicated in the paragraph of a resolution that the effective date is to be budget night, the officials across the country are given that advice and as soon as they receive the document with this intimation they start to carry out the law as if it had already been passed in a statute. I am wondering with respect to the next stage, amendments by way of an appendix to *Votes and Proceedings,* whether the same practice is followed by the revenue department.

Mr. Fleming (Eglinton): Yes, it is.

Clause agreed to.

On clause 14.

Mr. Benidickson: I think the minister perhaps might again make a brief explanatory statement. Perhaps it should be obvious to me but would he also indicate why the date December 31, 1958 is set?

Mr. Fleming (Eglinton): That was the last date that the dominion succession duty act applied to the estates of decedents. The new Estate Tax Act came into effect on January 1, 1959.

Paragraph agreed to.

Resolution reported, read the second time and concurred in.

EXCISE TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Excise Tax Act to provide:

1. That the sales tax on electric heating equipment, designed for use on a system using 230 volts or greater, for permanent installation as part of an electric heating system for buildings, be repealed, but not including electric wiring or other materials leading to or connecting such equipment to the electric power supply.

2. That ducts for warm air systems for heating buildings, but not including materials used in their manufacture, be exempt from sales tax.

3. That the sales tax on laryngeal speaking aids and parts therefor, including batteries specifically designed for use therewith, be repealed.

4. That the sales tax on prepared surgical sutures be repealed.

5. That the sales tax on goods enumerated in Customs Tariff Item 692a, that is, "articles presented from abroad in recognition of the saving of human life", be repealed.

6. That the sales tax on perlite be repealed.

7. That portrait photographs of individuals be exempt from sales tax.

8. That the exemption from sales tax for,

"perforated bituminized fibre pipe for drainage purposes not exceeding four inches in inside diameter"

be changed to read

"perforated pipe for drainage purposes not exceeding four inches in inside diameter".

9. That the exemption from sales tax for feeds and feed supplements be extended to include feed supplements for addition to feeds for fur-bearing animals, and materials to be used exclusively in the manufacture thereof.

10. That hardware for doors and sash not specifically mentioned in Schedule III be excluded from the sales tax exemption for articles and materials to be used in the manufacture of building materials.

11. That the exemption from sales tax for,

"septic tanks"

be changed to read,

"septic tanks and grease traps therefor".

12. That the exemption from sales tax for,

"Usual coverings to be used exclusively for covering goods not subject to the consumption or sales tax and materials to be used exclusively in the manufacture of such coverings"

be changed to read,

"Usual coverings or containers to be used exclusively for covering or containing goods not subject to the consumption or sales tax and to be delivered

and sold with the goods, and materials to be used exclusively in the manufacture of such coverings or containers".

13. That the exemption from sales tax for,

"Materials for use only in the construction, equipment and repair of ships over ten tons net register tonnage"

be changed to read,

"Materials for use only in the equipment and repair of ships over ten tons net register tonnage".

14. That the security required under the Excise Tax Act include bonds or other securities of or guaranteed by the Government of Canada.

15. That any enactment founded upon this resolution be deemed to have come into force on the 1st day of April 1960.

Mr. Benidickson: Mr. Chairman, I doubt whether we would make very much progress on a resolution having to do with a new act in three or four minutes. We might pass item 1 but with respect to item 2 I know that some explanation would be necessary. I wonder whether the minister would not be satisfied to have the committee report progress and have first reading of the income tax bill.

Mr. Fleming (Eglinton): In view of the suggestion of the hon. gentleman I move that the committee rise and report progress.

Progress reported.

INCOME TAX ACT

Hon. Donald M. Fleming (Minister of Finance) moved for leave to introduce Bill No. C-68, to amend the Income Tax Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business will be for tomorrow and Wednesday?

Mr. Churchill: The house made very good progress today, Mr. Speaker. Tomorrow the first item will be No. 17 on the order paper which is a resolution in the name of the Minister of Finance dealing with capital expenditures for the C.N.R. The second item will be No. 11 which is a resolution in the name of the Minister of Finance dealing with the international development association. The third will be No. 12 on today's order paper, a resolution in the name of the Minister of Veterans Affairs dealing with amendments to the War Veterans Allowance Act. The fourth will be item No. 13 on the order paper, a resolution in the name of the Minister of Transport dealing with certain matters affecting the Canadian National Railway Company. The fifth item will be No. 4 on the order paper, second reading of Bill No. S-2, to amend the Canada-Netherlands Income Tax Agreement Act. On Wednesday we will carry on with any items not finished tomorrow, followed by the budget resolutions of which there are two remaining.

Mr. Chevrier: Does the order of the estimates for Thursday and Friday remain the same?

Mr. Churchill: It remains the same.

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:

FIELD APPRAISERS, FARM LOAN BOARD AND CREDIT CORPORATION

Question No. 393—**Mr. Benidickson:**

1. On May 1, 1957, how many full-time salaried field appraisers or credit advisers were employed by the farm loan board?
2. On May 1, 1960, how many full-time field appraisers or credit advisers were employed by the Farm Credit Corporation?

Answer by: **Hon D. S. Harkness (Minister of Agriculture):**

1. 24.

2. 22—In addition to the 22 full-time credit advisers employed by the Farm Credit Corporation, there were on May 1, 1960, 184 credit advisers on the strength of the Veterans' Land Act who were available to assist the Farm Credit Corporation in its field work.

Questions

PARCEL POST DELIVERY

Question No. 401—**Mr. Denis:**

1. Has the Post Office Department changed its policy in respect to the handling of parcel post delivery?
2. If so, (a) has any saving resulted, and in what amount; (b) in what sections of Canada have these changes been made; (c) in what cities is the new system operating?

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

1. Yes; the addressee is now given the option of having a parcel delivered, subsequent to an unsuccessful first attempt, by paying an extra fee of 25 cents per item.

2. (a) No. The system was established with the object of improving parcel post delivery service. The fee is estimated to meet the cost of the service.

(b) and (c) The system has been in effect on an experimental basis since January 11, 1960 in the cities of Montreal, Vancouver, Winnipeg, Edmonton, London and Halifax. The new procedure will be introduced in all cities enjoying letter carrier delivery service on the 13th June, 1960.

APPENDIX

COMMUNIQUE ON VISIT OF PRIME MINISTER TO WASHINGTON

Text of Final Communiqué at Conclusion of the Visit of Canadian Prime Minister Diefenbaker

THE WHITE HOUSE

The Prime Minister of Canada, the Right Honourable John G. Diefenbaker, and the President of the United States have consulted on a wide range of subjects of both an international and bilateral nature. The Canadian ambassador at Washington and the secretary to the Canadian cabinet assisted in the discusions, together with the United States secretary of state and the United States ambassador at Ottawa.

The Prime Minister and the President were in agreement on measures which should be taken to maintain the security of the free world. They reaffirmed their determination to continue to work for peace with justice. Particular attention was paid to the importance of achieving, with effective international control, an end to nuclear testing and progress toward general disarmament.

The Prime Minister and the President reviewed the course of relations between their countries during recent years and noted with pleasure the extent to which the problems arising in such relations have yielded to the process of friendly and continuing consultation. They considered that satisfactory means of carrying on such consultation have been established in personal exchanges as well as by regular dipolmatic arrangements and the various joint committees that have been created. They expressed their belief that there has been established between the two countries a model for the relationship between neighbours.

HOUSE OF COMMONS

Tuesday, June 7, 1960

The house met at 11 a.m.

AGRICULTURE

SUGAR BEETS—ANNOUNCEMENT OF SUPPORT PRICE

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I should like to announce that the agricultural stabilization board has been authorized to support the price of sugar beets for the year 1960 on a national average basis of $14.23 per ton for beets yielding 17 per cent sugar, which is 100 per cent of the 10-year average national price.

For the 1960 crop the stabilization payment will be calculated as the difference between the prescribed price of $14.23 per ton of sugar beets and the average price per ton received by producers in the provinces of Ontario, Manitoba and Alberta. In the case of Quebec, provision has been made for stabilization payments per ton similar to those made in the other three provinces.

In 1958 and 1959 the board supported sugar beets on a regional basis, and the prescribed price for each area was based on the average gross return per pound of sugar in that area. However, with the concurrence of producer organizations in each of the provinces and in line with board policy, the stabilization program for this year will be based on the national average producer return.

Present indications are that there will be a reduced acreage of sugar beets in Ontario this year but an increased acreage in Manitoba and Alberta, and that production may be approximately the same as in 1959.

TRADE

GATT—REQUEST FOR TABLING OF UNITED STATES OFFER LIST

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Minister of Trade and Commerce whether it is a fact that the Canadian government has received from the United States government an offer list of commodities on which tariff concessions could be negotiated, as well as a list of commodities on which the United States hopes to secure tariff concessions from Canada. If so, could that list be tabled?

79951-0—290

Hon. Gordon Churchill (Minister of Trade and Commerce): I am informed that this is just a preliminary list; that the final list has not been produced, and that the officials are negotiating concerning it.

Mr. Pearson: Is the minister not aware that it was announced in Washington that if anyone wishes to have a copy of this list all that has to be done is to make a request to the state department at Washington, and the list will be sent? Could we not have the same information in this house?

Mr. Churchill: If anyone could have a copy of the list, then I presume the Leader of the Opposition has already sent for one.

Mr. Pearson: Is it necessary for a member of parliament to send to Washington for a list of this kind which affects Canada?

Mr. Churchill: I understood the hon. gentleman to say that any individual could get a copy of the list on application—

Mr. Pearson: I am asking the minister if he will table a copy of this list which affects Canadian interests.

Mr. W. M. Benidickson (Kenora-Rainy River): Is the minister suggesting that he does not possess a copy of this list?

Mr. Churchill: I was not suggesting that, but if it is available to the public then it is surely not necessary to table it.

[Later:]

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to direct a question to the Minister of Finance and ask him, since as I understand it the responsibility for international negotiations on trade matters under GATT comes under the jurisdiction of his department, whether he would be good enough to table the so-called offer list made by the United States so the Canadian parliament could have it to assist in the discussion in relation to trade matters.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, both the Department of Finance and the Department of Trade and Commerce, of course, share responsibility in connection with the forthcoming GATT negotiations. The plans that are being made for that conference are being made on behalf of the government jointly through both departments.

As to the plans of the United States in this respect, I have not the detailed information. The house has been given information this morning by my colleague, the Minister of Trade and Commerce, in that respect. I understood that the Leader of the Opposition was asking earlier not for a Canadian document but for a United States document available in the United States. It was on that basis that my colleague gave his answer to the Leader of the Opposition, as I understand it.

Mr. McIlraith: A supplementary question, Mr. Speaker. The list is the list given to the Canadian representatives by the United States authorities. It is in the possession, as I understand it, of the Canadian government now. I am not aware of any reason why it should not be given out. My question is whether that document, now in the possession of the Canadian government, can be made available to this parliament so the subject matter can be adequately and properly dealt with when it comes up for discussion later in the session.

Mr. Fleming (Eglinton): We on this side of the house always try to be obliging. I have not seen the document in question. Whether it is in the possession of my department I do not know, but inquiries can be made in that regard. I am sure that if it is proper to produce such document, if it is in the possession of the government, my colleague will be the first to see that any document which is properly producible by the Canadian government will be put before the house.

As for the question directed to me, I have not seen the document yet but I will make inquiries in that regard.

Hon. Paul Martin (Essex East): Will the Secretary of State for External Affairs inquire as to whether it is a fact that this document has been made available to the public in the United States, a document which both the Minister of Finance and the Minister of Trade and Commerce refuse to place—

Some hon. Members: Order.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I think this question has been fairly well dealt with by the two other ministers.

Mr. McIlraith: It has not been dealt with.

Mr. Martin (Essex East): On a question of privilege—

Mr. Speaker: Order.

Mr. Martin (Essex East): We are now informed by the Secretary of State for External Affairs that this matter has been properly dealt with. The statement of the Leader of the Opposition is that a document of this government has been circulated in the United States, and we are now denied by ministers of the crown in this house the right of access to this document. I would submit, Mr. Speaker, that it is a violation of the privileges of this house for two ministers of the crown to take this position.

Mr. Fleming (Eglinton): Mr. Speaker, on a question of privilege, I object to the hon. member for Essex East distorting my remarks beyond all recognition.

Mr. Churchill: I raise the same objection, Mr. Speaker.

Mr. Green: So do I, Mr. Speaker.

HEALTH AND WELFARE

STRONTIUM 90—RECOMMENDATION RESPECTING PERMISSIBLE LEVELS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): In view of the continuing interest and concern of a large number of Canadians in radioactivity, I wish to address a question to the Minister of National Health and Welfare.

Will the minister inform the house whether he has received the report of committee II of the international commission on radiological protection? If so, would he comment on the recommendation it is reported to contain that the maximum permissible levels of strontium 90 found in food and water be lowered from 80 micromicrocuries per litre to 33?

Will the minister also inform the house whether the government intends to give effect to those recommendations?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I wish to thank the hon. member for having given me notice of his intention to ask this question. This department has received the report to which the hon. member refers, and I am pleased to be able to advise him that the substance of its recommendations will be incorporated into the annual report of the radiation protection division for 1959, which will be available later this month.

However, I think it is important to stress that the recommendations made by committee II with respect to maximum permissible concentrations refer to water, but not to food. The maximum permissible concentration in water for strontium 90, applied to the general population, is calculated to be 33 micromicrocuries per litre, assuming a constant intake level for 50 years. On the other hand, based on an average daily intake of approximately 1 gram of calcium, the maximum permissible level

of strontium 90 in the average diet is calculated by my department to be 79 micromicrocuries per gram of calcium.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. Will the Minister of National Health and Welfare say whether it is the intention of the government of Canada to now adopt the levels of strontium 90 referred to in the question put by the hon. member for Kootenay West a few moments ago?

Mr. Monteith (Perth): Mr. Speaker, this is a very complicated question, of course. The annual report will be published shortly, and I am sure the question will be dealt with in that report.

IMMIGRATION

REGINA, SASK.—PROTEST OVER RECRUITMENT OF U.S. WELDERS

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Has the minister received representations from Regina local 179 of the united association of journeymen and apprentices of the plumbing and pipe fitting industry of the United States and Canada protesting the recruitment of United States welders by the Fisch Engineering Company, employed by the Saskatchewan Power Corporation on the compressor pumping station project at Hatton, Saskatchewan, while Canadian welders with previous experience on similar projects are unemployed?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Yes, Mr. Speaker, I have just received a protest and have asked my department to investigate the situation. I might just add that non-immigrants from the United States who are in Canada are not permitted to take employment unless they receive prior approval from my department. In this case the particular employment concerned is cleared with the national employment service. If there are Canadian workers available to do this particular job, then permission is withheld.

Mr. E. J. Broome (Vancouver South): A supplementary question, Mr. Speaker. Is the minister aware that many of these people come in as landed immigrants simply for the purpose of evading immigration regulations and have no intention of staying in this country, but come in only for the duration of the job? Is there any way by which the minister's department can plug this loophole?

Mrs. Fairclough: Well, Mr. Speaker, if the hon. member will give me specific instances I will have the situation investigated.

EXTERNAL AFFAIRS

REFERENCE TO MINISTER'S VISITS ABROAD

On the orders of the day:

Hon. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. Having regard to the fact that at the time of the minister's visit to Turkey there was a revolution, and that at the time of his visit to Chile there was an earthquake, does the minister consider it possible that his visits to other countries may be regarded with some alarm?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I think I have been in enough trouble today already. As long as my visits in Ottawa and in the House of Commons are not regarded with alarm, I have no worry.

WEST GERMANY—PAYMENT OF COMPENSATION TO POLISH CANADIANS

On the orders of the day:

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I should like to reply to a question asked by the hon. member for Kootenay West on the orders of the day on June 3 concerning 20 Polish Canadians having war claims against the Federal Republic of Germany. I took notice of this question at the time, but unfortunately I cannot give a comprehensive answer without first knowing the particulars with respect to the 20 persons involved such as their names, when they came to Canada, when they became Canadian citizens, the details of their claims and what replies they have received from the government of the Federal Republic of Germany to their approaches. If the hon. member will provide specific particulars I will be very pleased to look into the matter further.

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Acting Secretary of State. Will he inquire into the progress being made on the return to an order of this house made on February 3 with respect to certain questions involving the Department of Citizenship and Immigration? Will he also inquire with respect to another order of this house made on February 15 with respect to another matter falling under

the Department of Citizenship and Immigration, and also with respect to an order for return of February 24 with respect to Northland Navigation Company and its agreement with the federal government?

Hon. Leon Balcer (Acting Secretary of State): I will inquire with pleasure, Mr. Speaker. While I am on my feet, may I say that yesterday the hon. member for Laurier inquired about four returns concerning Georgian Bay Airways Limited. Three of these returns were tabled yesterday and the fourth will be tabled later today or tomorrow. With respect to the return about which the hon. member for Ottawa West inquired, it will be tabled within the time limit that I mentioned yesterday in the house.

PUBLIC WORKS

LAKEHEAD—ACQUISITION OF PROPERTY FOR TERMINAL FACILITIES

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Port Arthur inquired about the arrangements being made by the cities of Fort William and Port Arthur to transfer property for the construction of harbour facilities by the Department of Public Works. The arrangements for transferring the administration of said property at the lakehead are not yet complete. The matter has been the subject of correspondence between my department and the lakehead, and I will be glad to report to the house more fully at a later date.

CITIZENSHIP AND IMMIGRATION

VANCOUVER—ESTABLISHMENT OF CITIZENSHIP COURT

On the orders of the day:

Mr. E. J. Broome (Vancouver South): I should like to direct a question to the Minister of Citizenship and Immigration. Can the minister advise as to what progress is being made in the setting up of a citizenship court in the city of Vancouver? Where will this court be located, and when will it be in operation?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I cannot answer completely. I will get the hon. member a factual reply, but I can assure him that we are proceeding as rapidly as possible to put this court into operation.

[Mr. Howard.]

ATOMIC ENERGY

NUCLEAR TESTS—INQUIRY AS TO PRESENT GOVERNMENT POLICY

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs whether he has had an opportunity to examine the communique issued following the meeting between the Prime Minister and the President of the United States with regard to the reference in that communique to the common desire to achieve effective international control to end nuclear testing?

Hon. Howard C. Green (Secretary of State for External Affairs): Yes, Mr. Speaker. The reply I gave the hon. member yesterday still stands.

Mr. Martin (Essex East): May I ask a supplementary question. Does that mean that the minister sees no inconsistency between his announced policy with regard to the cessation of tests and the joint statement issued by the President and the Prime Minister?

Mr. Green: Mr. Speaker, the only inconsistency that I see in this whole matter is the persistence of the hon. member for Essex East, who seems to be in favour of further nuclear tests.

Mr. Martin (Essex East): Mr. Speaker, the hon. gentleman knows that is not the case. He is aware—

Mr. Speaker: Order. Is the hon. member asking a question or rising on a question of privilege?

Mr. Hees: Just rising.

Mr. Martin (Essex East): Is the Secretary of State for External Affairs not aware that in a matter of this kind and of this importance such flippancy is not in the interests of proper consideration of so important a matter?

Mr. Speaker: Order. The hon. member for Saskatoon.

Mr. Pearson: Mr. Speaker, may I ask the Secretary of State for External Affairs whether he does not realize that there is a difference between—

Some hon. Members: Order.

Mr. Speaker: I am sorry, but I have already recognized the hon. member for Saskatoon. Perhaps the Leader of the Opposition did not hear me.

[*Later:*]

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Secretary of State for External Affairs, does he think there

is any difference between the prohibition of nuclear testing under effective international control and the prohibition of nuclear tests, period?

Mr. Green: I have explained the government's policy to the Leader of the Opposition and the hon. member for Essex East on several occasions, but there are none so dumb as those who refuse to understand.

Mr. Martin (Essex East): I ask the Prime Minister whether the communique between the President and himself was referred to the Department of External Affairs before being finally accepted by Canada.

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. gentleman knows very well, of course, that that is not the course followed. In so far as inconsistency is concerned, I suggest that he review his own record.

Mr. Pickersgill: What difference does that make?

Mr. Martin (Essex East): I did not ask the Prime Minister—

Mr. Speaker: Order. It seems to me that this exchange is definitely becoming a debate and is not questions seeking information, so we should leave it at this point.

Mr. Martin (Essex East): This is a very important matter, Mr. Speaker, and I desire to pursue it. Will the Prime Minister say, whether or not it is the custom, whether this communique was referred in any way to the Department of External Affairs before Canada accepted its terms?

Mr. Diefenbaker: Mr. Speaker, there has been no change or suggested change along the line that has been advanced by the hon. gentleman. Canada's policy is completely unchanged.

Mr. Martin (Essex East): You have not answered the question.

Mr. Pearson: May I ask the Prime Minister whether it is the policy of the Canadian government at this time to favour the prohibition of nuclear testing only under effective international control?

Mr. Diefenbaker: The policy of this government has been made very clear. We favour—

Mr. Pearson: Why don't you answer the question?

Mr. Diefenbaker: I cannot give intelligence to those who cannot understand.

Mr. Pearson: Just answer the question.

Mr. Diefenbaker: We have made it very clear that we believe in the complete termination of nuclear testing.

NATIONAL DEFENCE

SASKATCHEWAN—RIGHT OF SERVICE PERSONNEL TO VOTE IN PROVINCIAL ELECTION

On the orders of the day:

Mr. H. F. Jones (Saskatoon): I should like to direct a question to the Minister of National Defence. In view of the confusion caused by the recent announcement by a Saskatchewan government official regarding service personnel voting in Saskatchewan, is the minister prepared to advise commanding officers of service establishments in Saskatchewan that service personnel, otherwise qualified, who are resident for six months in Saskatchewan are entitled to vote regardless of whether they have or have not made a declaration under the Canadian forces voting regulations contained in schedule 3 of the Canada Elections Act? If so, are the commanding officers being instructed to advise military personnel and their wives to that effect?

Hon. G. R. Pearkes (Minister of National Defence): The service men who are entitled to vote according to the laws and regulations of the province of Saskatchewan will be given every facility to do so, and will be encouraged to exercise their franchise.

GRAIN

ACREAGE PAYMENTS—REPORTED STATEMENT MADE IN SASKATCHEWAN ELECTION CAMPAIGN

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister. I apologize for not sending him notice, but I just got a message from Saskatoon. Is there any truth in the statement reported to have been made by the leader of the Conservative party in Saskatchewan in a television address on Sunday night, that any provincial acreage payments to grain producers would be matched by the federal government?

Right Hon. J. G. Diefenbaker (Prime Minister): I do not know of any such radio speech having been made at any time.

Mr. Winch: I heard it, and saw it.

OLD AGE SECURITY ACT

AMENDMENT RESPECTING PAYMENT OF PENSION DURING ABSENCE FROM CANADA

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the third reading of Bill No. C-63, to amend the Old Age Security Act.

Motion agreed to and bill read the third time and passed.

Canadian National Railways

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to make capital expenditures in the year 1960 not exceeding $309,950,000 and to make certain capital expenditures and enter into certain contracts prior to July 1, 1961; to authorize the national company to issue securities to provide amounts required for the authorized expenditures; to provide that, except as expressly provided, the aggregate principal amount of securities outstanding at any time shall not exceed $203,950,000; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the Minister of Finance to make loans to the said company secured by such securities and not exceeding $203,950,000 in principal amount to enable the said company to meet such expenditures and with authority to give financial aid and assistance to other companies of the national system.

Motion agreed to and the house went into committee, Mr. Flynn in the chair.

Mr. Fleming (Eglinton): Mr. Chairman, this is the annual resolution preceding the introduction of the annual bill respecting financing and guarantee of the Canadian National Railways. The legislation follows a form which has been consistently followed since the year 1952.

This year the bill founded upon this resolution will be divided into four major parts, as indicated in the terms of the resolution. The first part authorizes the Canadian National Railways to incur capital expenditures of up to $309,950,000 in the calendar year 1960. The second part authorizes the railway company to make capital expenditures prior to July 1, 1961 to discharge obligations incurred under the act which become due and payable after January 1, 1961 in an amount not exceeding $86 million. The third part authorizes the railway company to enter into contracts for new equipment and for general additions and betterments to the system in an amount not exceeding $51 million. The fourth part provides for the continued purchase by the Minister of Finance of Canadian National Railways 4 per cent preferred stock up to December 31, 1961. This latter provision is new.

Authority provided in the Canadian National Railways Capital Revision Act for the purchase of the railway company's 4 per cent preferred stock to the limit of 3 per cent of the company's gross revenue expires on December 31, 1960. Parliament is being asked to approve financing either by way of the issue of new securities guaranteed by the government or by way of direct loan from the treasury in an amount not exceeding $203,950,000. For the convenience of hon. members I would ask permission to place on *Hansard* at this point a table indicating the break-down of this sum of $203,950,000.

The Chairman: Does the committee agree to having this document inserted at this point of our proceedings in *Hansard*?

Some hon. Members: Agreed.

[Editor's note: the table above referred to follows:]

The amount of $203,950,000 appearing in clauses 4(3) and 6(2) is computed as follows:

Road property		$170,207,000	
Branch line construction		2,259,000	
Hotels		3,315,000	
Equipment		34,977,000	
Investment in affiliated companies:			
Trans-Canada Air Lines financial requirements	$82,350,000		
Others	6,842,000	89,192,000	$299,950,000
Less:			
Uncompleted work			30,000,000
			269,950,000
Add:			
Working capital:			
Amount required to finance temporarily alterations to Victoria bridge to co-ordinate with St. Lawrence seaway			10,000,000
			279,950,000
Add:			
Interim financing authority January 1 to June 30, 1961, on obligations incurred prior to January 1, 1961			86,000,000
			365,950,000
Less:			
Depreciation accruals and amortization of discount on funded debt, etc., in relation to calendar year 1960		112,000,000	
Depreciation accruals and amortization of discount on funded debt, etc., in relation to period January 1 to June 30, 1961		50,000,000	162,000,000
			$203,950,000

Mr. Fleming (Eglinton): The usual authority is provided for the making of temporary loans to the railway company and to Trans-Canada Air Lines to meet operating deficits to June 30, 1961. The budget of the railway company contemplates a deficit of $24 million for the calendar year 1960. The amount outstanding at June 1, 1960 authorized by financing and guarantee acts previously

passed is $162,578,749.76, and the authorization in that respect is to be found in the 1956 and 1959 acts.

Mr. Chairman, the committee is aware that a special committee of the house was appointed earlier this session to review the operations and all accounts and budgets of the Canadian National Railways system and its subsidiaries, including Trans-Canada Air Lines. That committee has submitted its report to the house. Its third and final report is recorded in *Votes and Proceedings* of the house of Friday, May 6, at pages 427 and 428. It is the custom to introduce this present measure after such a committee has conducted that review of the operations and financing of the Canadian National Railways system and has made its report to the house.

I think it is fair to say also, Mr. Chairman, that it has been found previously to contribute to a more knowledgeable discussion if the main part of the discussion of this subject takes place on the bill which will be distributed immediately after the resolution has been adopted.

Mr. Benidickson: Mr. Chairman, I am sure, as I have always experienced in giving any attention to this legislation, that all members find great difficulty in reconciling any figures that appear at the resolution stage with any prior activities we may have had in the committee to which the minister referred, before which officials of the Canadian National Railways appeared and when there is a discussion in that committee as to their budget for the current year and the capital expenditures that are proposed by the Canadian National Railways. I think those who were members of the sessional committee on railways, air lines and shipping, government owned, will recall that despite what we are reading here, in essence the capital program of the Canadian National Railways, or the borrowing involved in the capital program of the Canadian National Railways for 1960, amounted to the figure of $197.8 million. That was compared with the 1959 bill which was similar to this and which was presented to us at about the same time last year.

That sum of $197.8 million would, we were told, be financed in part by a depreciation availability of $112 million. Some $23 million is provided by reason of the 1951 reorganization legislation under which the government agreed to buy each year 4 per cent preferred stock up to an amount of 3 percent of the revenues of the road. So that actually what is proposed this year is an increase in borrowing of $62.8 million; and we were told in committee by the president that this, when related to the 1959 report, shows a comparable figure of $130.2 million.

Mr. Chairman, I think there is much in the financing of the C.N.R. which gave concern to the members of the committee. In the introductory statement of the president, which will be found on page 23 of the committee report, Mr. Gordon had this rather disappointing summary to make of the railways' affairs. He said that the financial results were most disappointing, particularly in light of the fact that economic activity in 1959 reached new record levels and the gross national product in real terms was approximately 5 per cent greater than in the previous year.

The Minister of Finance will of course recall that we have an argument as to the real value of the growth in the gross national product in 1959. The dominion bureau of statistics has recently calculated that the value of the growth in real terms was 3.5 per cent. None the less, the president reported that notwithstanding this increase in the general economy the deficit was substantial, and I know this is worrying to all members of this committee.

The prospect for 1960 is not very encouraging, either. The minister has made reference to the fact that the bill to be founded on this resolution will ask the house for authority to finance temporarily any deficit which may be incurred by the C.N.R. prior to the time this house can authorize payment of the actual ascertained deficit by a vote in the estimates. However, a review of the testimony of the officials of the C.N.R. given before the committee, plus an examination of the operating reports to date, is somewhat alarming. The deficit in 1959 was $43.5 million. The estimated deficit for 1960, when we were last officially informed, was given as $24 million. In other words it is indicated that in 1960 the net position of the C.N.R. might improve by $19.5 million. I believe the Minister of Finance in calculating his budget for the fiscal year has accepted the estimated figure of $24 million as the likely deficit of the C.N.R. for 1960.

However, we do have available since the sittings of the committee the net earnings report of the C.N.R. for the first four months of 1960. We find there that instead of showing a better net position compared to a like period in 1959, which I assume would be necessary if the company is to show an improvement in the over-all deficit of $19.5 million, we find that a deficit has already been incurred of $25 million compared with a deficit for the first four months of 1959 of $18.6 million. In other words the position is poorer for the first third of 1960 in relation to 1959 by $7.4 million.

It is very easy to calculate, if this trend continues in comparison with 1959 for the

balance of the fiscal year, what the result is likely to be. Three times $7.4 million comes to $22 million for a full year. Even if we were equalling rather than falling behind the record of last year, there would be a further deficit of $19.5 million beyond the estimated deficit of $24 million. In other words, when we project the poorer position which has been experienced this year and add the $19.5 million which would be required even to equal the position of last year, I calculate that those two figures come to $41 million. To put it in another way, if this continues the Minister of Finance will find that the position of the C.N.R. will require from him $41 million more than was the basis of his calculation when he predicted a $12 million surplus when he brought down his budget on March 31.

In view of the seriousness of this situation, I hope, the minister, either at this stage or on second reading, will give us some further information as to the prospects and as to any developments about which we may not have been informed which would in any way disparage the calculations I have presented to the committee. To sum these up briefly, even if we do as well as last year the calculations of the budget would be increased by another $19.5 million. If the trend we have experienced for four months should continue we would need an additional $22 million, so the budget would be out by $41 million.

It has been indicated that the capital budget this year will be down by some $56 million in comparison to 1959. Unfortunately, only two lines of typed reference were given in the committee relating to any proposals involving additional borrowing with respect to the proposals for increased terminal facilities at Toronto. We were only told in the committee that $6.6 million of this year's budget would be required for the Toronto terminal. However, hon. members know that we have on the agenda for debate today another resolution involving not only the $197.6 million to which reference is made in this resolution but an additional financing requirement of $100 million for the Canadian National Railways for a Toronto terminal.

The president of the railroad suggested that a very careful paring had been done with respect to the presentation of capital needs this year. He said that when the detailed statement of needs from the field was presented it amounted to $272.5 million. He told us there was a committee at Canadian National Railways headquarters which subsequently reviewed those proposals and the figure was brought down to $225.8 million. Then, he said, the proposals received the personal attention of himself as president and of other officials at the head office, and there was a further reduction of $23.2 million.

What we should like to learn from the minister is this. After that stage what, if anything, in the way of examination and personal attention is given by the members of the cabinet, representing the shareholders, to ensure that this is the minimum figure which will be required for 1960 in view of the very unfavourable operating results that are reported? I found there was evidence given that last year, at approximately this date, the management discovered that it could do with some $40 million less than the figure presented to the cabinet and through the cabinet to parliament, as its 1959 capital requirement.

I think that decision was made in July. All hon. members will recognize that that date was not very far from the present date. I am wondering whether anything of that kind is contemplated this year, a further paring or a decision that certain expenditures will not be needed? If so, I think inquiries should be made now before the bill is drafted; because parliament should be given the most up-to-date calculation as to the minimum requirement. After all, the figures we are dealing with here were set up by the company perhaps four or five months ago. I think parliament should be taken a little more seriously than that year, when in June we are asked to pass certain capital expenditures and then within a matter of days afterwards a decision was reached by the C.N.R. that that figure could be reduced by the tremendous sum of $40-odd million.

The committee I think was disturbed, as indeed was the management of the road, by the very obvious growth in fixed charges. Reference is made to this item on page 65 of the committee report, where it is shown just how substantially fixed charges have risen since the last financial reorganization of the C.N.R., which affected the 1952 balance sheet, and it was indicated to us that from there the fixed charges would grow and would total approximately $80 million by 1965.

The other alarming feature of this—and this is all related to these substantial capital expenditures and borrowings—is that the percentage of revenues required to finance these fixed charges is also rising very substantially.

The Minister of Finance has always been one who, in connection with the increase in the national debt, has indicated that it is not too worrisome if it can be related to the growing national income, because when related to a percentage of the national income it does not show, in his view, an alarming growth. But that, of course, is not

similar to the predictions with respect to the fixed charges of the C.N.R. related to their anticipated income. I do not think we got from the committee as much as perhaps we should have, but as everybody knows we are badly rushed there; we put on three meetings a day, and these figures are very complicated, and the management is always in a hurry to get back to head office—

Some hon. Members: Oh, oh.

Mr. Benidickson: That is an understatement about management's hopes, I well know. In view of the seriousness of the financial forecast I believe we should get from the minister a statement of the progression of the fixed charges from 1952 forward rather than being satisfied with the figures we got from the committee, which as I recall them were really projected forward in part and were not projected back to 1952. I believe it would be worth while having them projected back to that year.

Another feature that is not generally understood by most of us, nor I am sure by a great number of the public at large, is the obligation under the 1951 financing act to which I referred earlier, that of the government to buy automatically preferred stock on the basis of a percentage of gross annual income. The amount of preferred stock under the reorganization of 1951 was set at $756 million. This involved a very substantial writing down from the past of the nominal book liabilities of the C.N.R. But I find that in only three years—1952, 1953 and 1955—was anything earned or available to pay anything on this 4 per cent preferred stock, and between 1952 and 1959 inclusive an additional $168 million of financing has been provided by this method quite apart from the aggregate of the deficits with which we are more familiar.

In 1959, in addition to meeting the deficit of $43 million through a vote of this house of $40 million, the government bought $22.1 million of preferred stock under this statute. In 1960 it is estimated that another $22 million will have to be provided through the purchase of preferred stock without any prospect, of course, of it providing for the nominal interest rate of 4 per cent.

As the Minister of Finance has indicated, we have in the past felt it necessary to peruse carefully the complicated figures such as he has given us this morning. I do not propose to make any extended remarks until I have an opportunity of examining the details of the proposals. Before closing the debate the minister might reiterate his intentions in this respect, but I understood him to say that the bill that will follow will contain this year a new provision. There was some noise in the chamber at the time and I did not follow the minister with respect to certain financing forward to 1961 that apparently is to be incorporated in the new bill, but I will defer any comment on that point.

Mr. Fleming (Eglinton): Mr. Chairman, in case the hon. member wishes to make comment, I said that the fourth part provides for the continued purchase by the Minister of Finance of Canadian National Railways 4 per cent preferred stock up to December 31, 1961. This provision is new. Otherwise the power under the existing legislation expires on December 31, 1960. By extending it for one year it makes it coterminous with the provision in the capital revision act for the interest-free period on the $100 million of 20-year obligations, which also terminates on December 31, 1961.

Mr. Benidickson: I thank the minister for that explanation. I wonder if the committee would allow me a little indulgence. We are all acquainted with the voluminous nature of the reports of the committee on railways, canals and telegraph lines. I have indicated that we met three times a day on some occasions, and with the other work of the house it was somewhat difficult afterwards to check the *Hansard* report. For the benefit of the debate on second reading I should like to indicate to the committee a correction that should be made at page 138 of the sessional report. I am reported as having asked a question of Mr. Gordon in these words:

> Mr. Benidickson: Do you know that this is made under the C.N.R. act?

That should read:

> Do you know if this is made under the provisions of the C.N.R.-C.P.R. act?

Hon. members will be aware of the fact that there is a statute of that name which was passed in 1932 or 1933. I continue:

> Mr. Vaughan: The application is not made under that act.
>
> Mr. Chevrier: It is made under the Railway Act.

That completes my reference to the committee report. Beyond that I simply want to say I have made subsequent inquiries and confirmed the belief I had when I asked the question there; that the economies under co-operation for which permission was being sought and to which reference was made in that instance were not made by the C.N.R. under the Railway Act but were in fact, as I had thought, made under the statute known as the C.N.R.-C.P.R. act.

Mr. Fisher: Mr. Chairman, there are several points in connection with the Canadian National financing that were touched on in the committee. There is one question on which I should like to ask the minister for

an explanation that none of us in the committee got around to asking for, although from a reading of the evidence it is very apparent that the question should have been asked, and it may be relevant to the point made by the hon. member for Kenora-Rainy River. At page 55 of the proceedings and evidence Mr. Drysdale asked this question:

> Did the actual expenditures in 1959 coincide with the capital budget expenditures?
>
> Mr. Gordon: No. I am going to mention that a little later. As a matter of fact, we considerably underspent our budget, for the reason that we started holding down on expenditures commencing July of last year.

Mr. Benidickson: May I just refer to that? I have just looked at my notes. The committee will recognize that we were not informed either last Thursday night or Friday night that this item would come up for debate; we were not informed that it was coming up as the first item today until ten o'clock last night. Therefore I have had some difficulty in that interval in trying to refresh my memory about what went on in the committee. The hon. member is going to refer to the same subject that I was going to refer to. When I referred to the underspending decided upon in July, 1959 I used the figure $40 million. I think the hon. member for Port Arthur was just going to refer to the item that I see in my notes. The sum of $24.5 million is the correct figure, not $40 million.

Mr. Fisher: What is the page number?

Mr. Benidickson: Page 57 of the proceedings and evidence.

Mr. Fisher: The question that comes to mind is why none of us asked why the C.N.R. decided last July to cut down. What I should like to ask the minister is, did he or any of his officials communicate with the Canadian National Railways and ask them to cut back and pare down their capital expenditures? If they did, it would seem reasonable and logical, I think, that he should give us a fuller explanation of how his department or he may be looking at the C.N.R. budget for this coming year.

If you search through the evidence you get the impression from Mr. Gordon's remarks that very strong efforts were made to cut down capital expenditures; that is, the projections for this year. I think he said that the estimates come from the field to head office, and they were trimmed $47 million in the first process at head office and then another $20 million before they were finally put in. I think we deserve to know whether this policy of cutting down on the capital expenditures is the result of advice or persuasion from the minister.

I can make this somewhat more relevant by underlining the fact that one of the expenditures for this coming year caused considerable controversy in the committee. It was not on a political basis necessarily. I refer to the expenditures to go into trucking operations. I will not say that there was a majority of the committee, but there was very strong objection on the part of certain members of the committee to the effect that the C.N.R. had no business getting into this field, or committing its capital budget to an extension into this particular field.

Another part of the capital expenditure comes to mind. The needs of the central traffic control program are now to be less in certain areas, since most of the work is completed. These expenditures are going down, but the revolutionary effect upon the communities resulting from those capital expenditures is just about to take place. Now, this is a step away from finance, but what bothers those of us who have divisional points in our constituencies—the hon. member for Kenora-Rainy River knows this problem very well—is this. The people want to know why, when this dislocation takes place, proper provision is not made for relocation, for education, for training and this kind of thing. I am talking about something that is the result of capital expenditure; technically a revolution takes place in the employment picture of the railway community.

This, Mr. Chairman, is not immediately relevant to what the minister is bringing in here, but I should like to know whether in the consultations the minister may have had with the Canadian National Railways they were prepared at any time to make more extended provision than they have in their capital budget for education and retraining and relocation of personnel affected by the capital expenditure.

The question of the scale of the deficit is certainly great. From the figures that have come out so far this year the C.N.R. is not going to have as good a year in 1960 as it had in 1959. Certainly carloadings indicate that we are not going to get the optimistic trend that the lower deficit might indicate. I think the minister might pull together our ideas on this projected deficit and tell us what kind of estimate of business now appears available for this particular year. The president of the railway was relatively optimistic when he was before the committee, but certainly the figures that have come along since, in the past month, indicate that carloadings and revenue are not going up to the degree that was expected.

There is one other question on which I should like an answer from the minister.

Mr. Gordon, at page 56 of the proceedings and evidence, gives an indication that the company expects to recoup, I take it, approximately $10 million from the St. Lawrence seaway authority for expenditures incurred in constructing the diversion and related facilities around the Victoria bridge. I think this is a large enough sum for us to be given an indication as to whether that money is going to be coming to the Canadian National Railways this particular year.

The whole question over the past decade in the financing of the Canadian National Railways would seem to be that the government by rather large capital expenditures has been trying to put the Canadian National Railways in a position to modernize and so eventually reach the state of balancing its budget and becoming a more viable concern. Despite all the optimism of the president of the Canadian National Railways—and I am not going to argue that this expenditure should not have been made—the railway is in no better position that we can see, relative to what it was five or six years ago, as a result of all this expenditure.

The capital program is going to continue on a very large scale until 1965, and this raises one point. Surely the Canadian National Railways and the government of Canada have been wrong or, let us say, mistaken in their projection into the future. If we go back five years when very large capital expenditures on the C.T.C. and on dieselization and all that sort of thing were being undertaken, the argument was that those expenditures would enable the railway to get into a viable economic position. Now the expenditures have been made. I understand the last steam locomotive has blown its whistle on the Canadian National Railways, and the railway is not in any better position.

I know the president argues that despite increases in productivity, this situation has been created by wage demands and changes in the transportation picture, especially the increasing amount of traffic that is hauled by rival carriers. But my point is that the projection has been wrong; it has been mistaken.

Mr. Macdonnell: Would the hon. member permit a question?

Mr. Fisher: Yes.

Mr. Macdonnell: The hon. member has conceded that as against the savings which were projected and which I understand have been made, it was not foreseen that there would be adverse elements which have affected the situation. Would it not be fair for him to assess those, because after all we are not prophets and cannot have all the wisdom in the world. If in fact savings were actually made though offset by unforeseen and even keener competition from rival methods of carriage, is it not fair to take that into account?

Mr. Fisher: I certainly agree with the hon. member that it must be taken into account, but my whole point is that where you are expending millions and millions of dollars, substantial fractions of billions of dollars, very careful projections need to be made, and all I am suggesting is that within five years the optimistic projections have been proved wrong. The program is now going to continue for another five years, and I am just wondering what assurances we will have that there is more accuracy in the present projections.

Put in its most simple terms, a tremendous amount of capital has been pumped into Canadian National Railways since the war to make it a going concern. Yet in 1960 the C.N.R. seems no closer to being a going concern than it was in the post-war years up to a decade ago. Surely this faces us with a question of economics and a question as to the future. No one is in a position to say that this should end the C.N.R. We cannot turn our backs on the problem, but I do think we should know much more concretely and have a much tighter projection as to the future of this railway in terms of deficits. I cannot see why these trends toward loss of traffic to rival carriers and the trends as to wage demands were not taken into the picture.

Looking back over the years it seems to me that the C.N.R. repeatedly comes before the house committee and these bills are brought before the house, and the projection is always too short range and always too optimistic. I am not suggesting that we should call a halt to passing measures such as this, but certainly we should get a much clearer pattern as to where we are going in our railway expenditure. This raises an issue that is much larger than what is now before this house, and that is the issue before the royal commission on transportation. I want to emphasize that I do not believe the royal commission on transportation is getting to the nub of problems such as this. I feel that its proceedings have developed into an argument between various regions of the country over questions involving the freight rate structure, which is very complicated and which only a few experts can understand. I do not know what Solomons there are on the royal commission on transportation, but I do not envy them the task of working out the freight rates question.

It seems to me that what we have to consider is something even more important than anything the royal commission is trying to settle, namely where this railway is heading

when we keep on having these huge deficits when, despite the immense expenditures, the railway that we are supporting is not improving its position. Mr. Gordon has told us to fire him if we do not think he is efficient. I am not yet at the stage where I wish to suggest that we should importune the government to fire Mr. Gordon, but I certainly think we have to take into consideration whether we can go on much longer with the present management of the railway and the present treatment that the government is giving to the railway, and yet year after year be faced with this very dark financial picture.

It would seem to me that it would be acceptable if we took it for granted—this of course is what the members of this party believe—that the government-owned railway is not a viable economic concern in the sense of a corporation operating in a free market structure, but it is very hard to get this view generally accepted not only in the minds of members of parliament but outside the house. The president of Canadian National Railways insists that his railway be treated like any other corporation. That is one of the reasons he refuses to give members of parliament certain information they would like to have. In other words, the president of Canadian National Railways insists that this is a corporation like any other corporation, and one that is operating under many of the same factors. As I say, he goes so far as to say that we should fire the management if we think they are inefficient. What can one help but think about the management if after these tremendous capital expenditures, with many more to go, the picture is still as stark and gloomy as ever?

I should like to argue that Mr. Gordon himself and those who expect Canadian National Railways to operate like any other corporation, for example the Canadian Pacific Railway, are the ones who are mistaken. I think the president himself has a wrong conception of the role of this corporation. I think it is time we stopped kidding ourselves that by bills such as this, that pump millions into the C.N.R. structure for capital improvement, we are finally going to enable the railway to reach the stage where it will show a balance sheet with profits. In the light of our experience with the C.N.R. over the last 10 years it almost seems to me that the balance sheet is not a very important item at all. This leads me to the suggestion that what we should perhaps do is analyse just how far we want to go as a government and as a nation in committing ourselves to Canadian National Railways, and also just what we expect from the railway.

It seems to be ironical that we should allow the president of Canadian National Railways to go before the royal commission on transportation and present his argument on the statutory grain rates, for example, or his argument so far as the trucking situation is concerned; or that we should allow Canadian National Railways to appear before the royal commission as an independent organization, when we know that the government is underwriting the railway and that in many ways the railway is carrying out chores which can never be economical in terms of the balance sheet but which the government and the people of Canada expect it to do.

I know that one of the things we expect in our part of the country is that when the iron ore trenches north of lake Superior are opened up, Canadian National Railways will be in there to provide rail service. What I am suggesting is that we expect much more from Canadian National Railways than we can expect from an ordinary corporation operating in a free market. For this reason the attitude of the president and of the government tends to be out of line. We are importing into our consideration of Canadian National Railways arguments, attitudes and financial procedures that apply to a free market corporation, and that is not what we have.

I should like to have the minister's comments upon this particular situation. It seems to me that if the future of Canadian National Railways is not to be a black one, you must forget the idea it is an organization primarily designed to make a profit. If the members of this house believe it is the primary design of Canadian National Railways to make a profit, then it seems to me we have to come to grips with Canadian National Railways and do some real cutting and slashing. We have to get much tougher than we have been. It certainly seems to me that Canadian National, judged as a corporation in the free market, has been a failure in the last five or six years. I am not going to be the one to call for Mr. Gordon's head, but some of the members of the house who are much more wedded to the free enterprise concept should be pressuring the government at this time, it seems to me, to have Mr. Gordon's head.

We will support this resolution, Mr. Chairman. However, I should like to underline again that the understanding members of parliament have of the operations of Canadian National Railways on the financial side is of a sketchy nature. This year Mr. Gordon, before the committee, tried a new approach in order to enlighten us on the railway's problems. Instead of reading from reports he showed us a series of graphs and charts. This was much better than the form of presentation used in the past. The difficulty with

this presentation, however, was that questions and analyses are rather difficult in a darkened room when graphs are flying on and off a board. I think anyone who reads the evidence from approximately page 36 through to about page 70 is going to come to the conclusion that our analysis of the finances of Canadian National Railways was rather superficial. I believe our analysis of this resolution in this committee is probably going to be superficial, and for that reason I should like to throw the committee upon the mercy of the Minister of Finance. Perhaps with that prodigious industry of his—he has spent so much time understanding the finances of the government and the Canadian National—he could give us some enlightenment on these points, especially the ones brought up by the hon. member for Kenora-Rainy River. Perhaps he could enlighten us on this whole question of the government's views on the Canadian National and its efficiency.

Mr. Browne (Vancouver-Kingsway): I want to raise a matter which I raised in the committee on railways, air lines and shipping and which caused a good deal of discussion at that time, although we did not seem to get too many answers. I refer to the entry of the railroads into the trucking business. I think this is something that needs to be given very serious consideration. We were told by Mr. Gordon in that committee that the railroad had committed $5 million to the purchase of trucking firms, and that they were asking for a further $5 million this year. At that time I suggested that before the second $5 million was committed we should be made aware of what had been done with the first $5 million.

It was my feeling that if the railroad went too extensively into the trucking business it might have the effect of lessening competition in the transportation field, and I do not believe that would be in the public interest. I should like to cite a case which came up in 1957, and which would indicate to some extent the value of having trucking competition with the railroads. I refer to a submission made to the board of transport commissioners at a time when the railroads had made some rather serious cuts in their rates. This quotation is taken from the submission made to the board of transport commissioners by the Canadian trucking association, and the rate cuts referred to are taken from the published tariffs of the Canadian National and Canadian Pacific railways, which are identical. Paragraph 2 of this brief says:

> It can be seen most of the rate reductions are of the order of 40 per cent and more, some even exceed 70 per cent and one represents a cut of 77 per cent.

I believe that these benefits accrue directly from competition in the transportation field. There is little doubt in my mind that no such rate cuts would have been made if the railroads had owned these particular trucking companies. I feel that anybody can see the need for the railroads to have feeder lines today to bring goods to the railroads. However, when we tried to find out in the committee on railways, air lines and shipping what the policy of the Canadian National was going to be in going into the trucking business, there were some rather interesting answers given by Mr. Gordon in reply to the hon. member for Simcoe North. I do not want to take up too much of the time of the committee so I will not read the question, but I will read Mr. Gordon's answer, which is self-explanatory. At page 132 of the evidence of that committee Mr. Gordon is reported as saying:

> We have had quite a number of operators who have offered themselves for sale. What we are trying to do now, and we are at a very early stage, is to pick and choose in such a way so that we will form a backbone of trucking service which will be on a coast to coast basis. We may select any particular trucking operation which might fit into that plan; but we do not want to duplicate or overlap.

Then the hon. member for Simcoe North said:

> I do not quite understand why you want coast to coast trucking service. I seem to be a little confused on that subject. It would seem to me that you would be more interested in providing a trucking service which would truck, say, within a metropolitan area and thereby generate coast to coast shipping for your railway.
>
> Mr. Gordon: Because there are many instances where the traffic that is operating under modern conditions is not best handled by the railway.

It seems to me this only indicates the railway's desire to go completely into that line of endeavour, thereby eliminating competition. We had another instance of the lack of competition given to us in the committee, and that was in the piggyback operations of the railroad. We were informed by Mr. Gordon that in the maritime provinces the railroad would not take trucks belonging to anybody else in the piggyback operation; they would take only their own trucks and refuse to carry trucks belonging to anyone else. I feel it is significant that, notwithstanding the Maritime Freight Rates Act, freight rates have gone up faster in the maritimes in the past 10 years than in other parts of Canada. I suggest to the committee this is the result of lack of competition.

I do not know what effect the amount of money the railroad has spent has had in the way of lessening competition, but it seems to me it is a wrong policy for the railroad to commit $5 million to this purpose and not tell

parliament what they have done with that amount of money. Now they are asking for a further $5 million and I see that according to the terms of this resolution the railroad could enter into contracts up until July 31, 1961. It seems to me we should have some idea of what has been done so that we can make some assessment of whether this purchase of truck lines by the railroad is going to have the effect of lessening competition. I do not see what other effect it could have.

In the past, royal commissions on transportation have said there should not be too much concern in that regard because it was very easy to get into and out of the trucking business. The cost was small and, therefore, it would be very hard to eliminate competition. However, the trucking industry has been growing in importance in the last few years. Costs have risen greatly. Some of the types of trucks that are used in the kind of competition referred to here would cost $25,000, $30,000 or even up to $40,000 per unit. It is not quite as easy to start in this business as it was a number of years ago. Second, there is a great deal more control by provincial governments. One has to prove public necessity before a licence is granted to operate a trucking business. I suggest that if the railroad applied for a trucking licence in an area in which there was room for only one trucking firm, the provincial government would be hesitant about granting a licence for another person to go into competition with the railroad. Then we would be in the position of having no competition whatsoever in those areas. We would have a railroad owned trucking operation competing with the railway, and I do not think that would be a very effective means of competition. As I said before, I do not think we would have had the rate cuts we have had if it had not been for the advent of trucking competition.

I suggest to the government that this whole question be referred to the royal commission on transportation. I have little doubt that it will come before them, but I think there should be a direction from the government to the royal commission that it is their feeling that this whole matter should be completely investigated, and I think we should have a report from the royal commission before the railroad is allowed to go too much further into this field.

Mr. Regier: I wish the minister would explain exactly when is it that the C.N.R. obtains its money from the money market on its own initiative and when it obtains it by way of loans from the minister. I notice that this resolution calls for a measure to grant the minister authority to make additional loans to Canadian National Railways. The money market was rather swamped last year when there was a most unexpected demand on it by Canadian National Railways for $300 million, I believe it was, which is a large amount. I am glad that the issue was oversubscribed at the time; I understand the response to the offering of Canadian National Railways was excellent indeed.

Mr. Benidickson: Highest interest rates ever.

Mr. Regier: Yes, I realize the interest rates were excessive. However, it indicated a little loosening up at the time of available resources in the investment field. At that time we were a little amazed because it was our understanding that these capital needs of the C.N.R. would be made available by the minister. I believe he had received the authority to make this money available to Canadian National Railways, and then rather unexpectedly and for reasons which the minister has not yet explained in this house Canadian National Railways appealed to the money market on its own.

The minister is again asking for authority to make available to Canadian National Railways moneys not exceeding in total $203,950,000. I wonder whether we might have some assurance from the minister that he has every intention of making this money available, or whether, if and when the minister may find himself in difficult circumstances, Canadian National Railways will again have to approach the market on its own. I believe this committee is entitled to a clarification of what happened last year and why it happened, and also an explanation of what are the intentions of the government with regard to implementing the resolution now before us.

The other issue I would like to raise is this. Last year there was indication that the development program of Canadian National Railways was being deliberately curtailed by orders of the government in order to help the government arrive at a balanced budget. I know this could not be so because any curtailment of expansion of the C.N.R. would have nothing to do with the balancing of the budget; there is no relationship at all. However, there is a relationship between expansion and inflation, the availability of investment resources on the money market and the issue of unemployment.

I regret that that expansion program of Canadian National Railways was curtailed, thereby aiding and abetting the unemployment situation. I regret especially that the Canadian National Railways expansion program was not able to even absorb the numbers who were laid off by the railway company

because of automation. I believe that in that one-year period Canadian National Railways laid off some 13,000 men. When there is a great expansion program under way and men with 18 years of seniority have to be laid off, as has happened, then I feel it is most unwise for the government to curtail the plans and expansion needs of Canadian National Railways.

This happened last year, and I think the country is entitled to an explanation as to why that planned program was curtailed. Was it in order to help contain inflation? Was it because of lack of resources, of capital? I would like to know whether it is the intention of the government to contain the dangers of inflation and restore normal levels of supply and demand to the money market, even if it means greatly increased unemployment. I would also like to know whether the government regards full employment as an expendable factor when a decision has to be made in this regard. We are afraid, and many of the working people of Canada are becoming increasingly afraid also, that when the government makes a decision on this matter the welfare of the Canadian worker is considered as the expendable element, and that he has to pay the penalty of unemployment in order to help the government achieve other admittedly worth-while objectives.

I hope the minister will be able to make a reply on this matter of financing and also the matter of when curtailment of the program is in order and when it is not.

Mr. Broome: I would like to make a few remarks, Mr. Chairman, before this resolution is approved. As a member of the committee which reviewed the budget reports of the C.N.R., in the writing of our report I think for the first time since the government changed we did make mention of the fact that we were concerned about the continuing deficits of the C.N.R.

With regard to some of the remarks made by the hon. member for Port Arthur, it is my opinion that the C.N.R. should be operated on the same basis as the C.P.R., and that is to provide services at a reasonable cost, and to get themselves into the black and stay in the black.

One of the recommendations made by the committee had to do with the board of directors. In this regard I was very interested in the report of the Canadian Pacific Railway. They have 24 members on the board of directors of whom seven are on the executive committee, compared to the Canadian National Railways where they have seven members on the board of directors only two of whom are the executive committee.

In testimony the president pointed out that he and any two directors formed the executive committee. The function of the executive committee, of course, is to approve the acts of the president in the administration of the railway. The president was careful to point out that the C.P.R. stands on its own feet, that it is a private corporation and not under the control of the government. That is all very fine, but because of that attitude figures and facts and questions about the operation of the railroad were not given that full disclosure with which they should have been treated.

The C.N.R. is not in that position whatsoever. The C.N.R. is in the favoured position of having all the advantages of free enterprise and having none of the disadvantages. When they have a deficit to whom do they come? They come to the government. But the government has no real control over the C.N.R. As the minister himself pointed out, he simply reports to parliament on behalf of the company. Indeed, the committee was told about a statement by Right Hon. Mr. Mackenzie King when the C.N.R. was set up, making it clear that the company was to be operated as a private enterprise corporation over which the government would have no direct control. So we have this private enterprise corporation functioning without the checks and controls which government could place on management, and without the checks and controls which are normally placed on a business enterprise by shareholders and by outside competition under free enterprise.

The evidence makes it clear that the directors do not take an active interest in the operation of the railroad. In one case they stated themselves that they were not too conversant with the details. On the other hand, when one looks at the Canadian Pacific Railway one finds an entirely different setup which characterizes the whole operation, from the board of directors to the final balance sheet. I wish the balance sheets of the C.N.R. bore some resemblance to the balance sheets of the C.P.R.

I return to the point I wish to make, which is that to all intents and purposes the president of the C.N.R. does not have those checks and balances on his power or his decisions which one finds either in a corporation which is controlled directly by the government or in a corporation which is controlled by a board of directors responsible to the shareholders, and I do not think that is the best arrangement for a good operation.

I do not wish to belabour this point. All one has to do is read the reports of the C.N.R. Look at the money that has been poured into it since the end of the war, some $500 million. Then take a look at the final

figure for each year. They are shown as far back as 1935, but let us go back simply to 1950. It will be seen that the over-all deficit amounts to something in the neighbourhood of $160 million, while the operation of another railroad, which does perhaps have certain advantages, shows a reasonably good picture.

I am viewing this question simply from the point of view of a free enterprise economy. I do not think the C.N.R. is a make-work program. I think it is in the same position as the C.P.R., and that it is intended to provide a service at a reasonable cost. I say there is something that we should look into with regard to C.N.R. operations. There must come an end to these continuing large scale deficits. Some measure of government action will eventually have to be taken unless the railroad can clear its own house and pull itself into a more reasonable condition.

Mr. Drysdale: I should like to make one or two brief comments on this subject. I am particularly interested in a matter concerning which the hon. member for Vancouver-Kingsway has spoken, and that is the activity of the C.N.R. in the trucking field. As the hon. member for Vancouver-Kingsway pointed out, there was considerable questioning of Mr. Gordon on this particular subject.

In the budget of 1959 some $15 million was allocated to enable the C.N.R. to get into the trucking field. Of that $15 million the company has apparently used $5 million. The committee endeavoured to find out how this money was being spent. Mr. Gordon indicated that the majority of the deals had not been consummated, and he thought it was not in the interests of the C.N.R. to have the names of the trucking firms revealed at this particular time. I endeavoured to have Mr. Gordon indicate to the committee what was the long range objective of the C.N.R. with regard to the trucking field, and I suggested that if it were not possible to reveal the names at least he could indicate to the committee how the money was to be spent. Unfortunately I did not get an answer to this particular question.

What worries me is that this question is very important to the Canadian people generally, as was underlined during the recent discussion of the Combines Investigation Act. When a government entity such as the C.N.R. is able to expand into the field of trucking, and members of parliament are not told the extent to which this move is likely to go, a serious position arises. There was $5 million allocated for this purpose in 1959. That has been taken up. There is to be another $5 million allocated in 1960, and there is every reason to believe there will be a further $5 million spent for the same purpose.

I think it is important to examine at this time, in some detail, whether an expansion of this kind is in the public interest. I must admit readily that I think what Mr. Gordon is doing is in the interests of the C.N.R. His main objective is to cut the deficit, and anything he can do in that direction is very commendable as far as the C.N.R. is concerned. However, we do not know what effect this is going to have on the remainder of the Canadian economy. We are being left in the dark about these transactions, and what worries me is that by the time the money has been allocated—perhaps over a period of three years, if the $15 million is spent—the C.N.R. may have bought out the major trucking companies across Canada and, in effect, stifled trucking competition. The answer given by the C.N.R. to our inquiries in the committee has been "We do not think it is in the interests of the C.N.R. at this time to disclose the information".

However, during the committee proceedings I was in a position to ask Mr. Gordon when he thought he would be in a position to indicate what interests had been acquired by the C.N.R. I am reading from the minutes of the committee proceedings at page 222.

> Mr. Drysdale: You have $5 million actually invested now. Could you indicate when you think you would be in the position to advise parliament, through the committee or through publicity, as to the completion of that?
>
> Mr. Benidickson: I was going to ask a similar question, knowing this usually comes before parliament. The capital bill comes before parliament in June. Does the president think by that time, through the voice of the Minister of Transport, that he would be in a better position to give this information?
>
> Mr. Gordon: I would expect so. I think over the course of the next six weeks or two months we will be able to get some of these entanglements worked out.

I wonder whether the Minister of Finance is in a position to inquire of Mr. Gordon whether he is yet in possession of this information, and to let us know at some stage of the bill whether Mr. Gordon is able to advise us as to the manner in which this money has been expended. I think it is most important to find out in what direction the C.N.R. is proceeding. What is the long range scheme? If the minister could present this information to the committee I think it would be of considerable assistance.

Mr. Fleming (Eglinton): I shall endeavour to review the points addressed to me generally in the order in which they were raised during the discussion. It is evident that some of them at any rate will be clarified when the bill is distributed after receiving first reading.

I was asked about the estimate of the deficit. I have no intention of revising the estimate that has been made by the competent officials of the C.N.R. as to what they think will be the results of the 1960 operation. These estimates are made on available data, and naturally no one can completely foresee the complete course of business during the year; but I have no reason to undertake to revise the estimate of the deficit that was presented by the railway, of $24 million.

I was asked about the extent of any review of these estimates by the Department of Finance. The capital budget of the Canadian National Railways, like that of other crown corporations, is reviewed. That, of course, is done each year by the Department of Finance.

Next I was asked about fixed charges since 1952. The hon. member for Kenora-Rainy River directed this question to me. These are all printed in the copy of the annual report for 1959. I gather that he wishes me to put them on the record. The fixed charges on the railway company commencing in this table with the year 1935 average consistently sums between, let us say, $46 million and $57 million per annum until the capital revision of the C.N.R. was brought about and became effective in 1952. From 1951, when the fixed charges amounted to $48-odd million, they dropped in 1952 to $25,415,000. The other figures for the succeeding years are 1953, $29,376,000; 1954—

Mr. Benidickson: Mr. Chairman, I may have used that term but in doing so I was in error. I am familiar with the progression of fixed charges. I was really thinking in terms of the long term debt. The minister is aware that the financial statements presented to the committee this year were largely in graphic form through the use of slides. Those slides have been produced, of course, in the minutes of the committee, but one sometimes has to guess even within quite a spread of millions of dollars to find what is involved.

The question I had in mind was the progression of the long term debt upon which fixed charges would be based. I refreshed my memory and discovered since that in 1959 it appeared in statistical form. It was not presented in statistical form this year because of the graphic form of presentation.

Mr. Fleming (Eglinton): I was asked then, Mr. Chairman, as to whether I had communicated with the Canadian National Railways management concerning the program of capital investment in 1959. Was the wicked Minister of Finance somehow responsible for imposing his ideas upon the management of the C.N.R. and staying their hand in undertaking useful capital expenditures?

Mr. Fisher: "Wicked" is the minister's own word.

Mr. Fleming (Eglinton): Perhaps that is the way I have grown accustomed to looking upon myself in this role. I can disclaim at once having had any communication with the management of Canadian National Railways in this respect. The decisions in regard to capital expenditures made by the management in 1959 were their own decisions. It will be clear to those who have followed the evidence heard in the committee that the result of the fact that capital expenditures were not as large as they were in the preceding year has been only to delay some of the expenditures; because, as the president of Canadian National Railways pointed out at page 57 of the evidence, the effect has been, of course, to create some budgetary pressures this year.

The next question raised was concerning the recovery of a claim of Canadian National Railways in respect of the construction work on the St. Lawrence waterway arising out of a railway diversion there. I have no further information on that point. I understand that the amount has not been recovered yet, but the committee will recall Mr. Gordon's firm assertion to the committee at page 57 of the proceedings that the company's claim was valid, right, legal and moral, and he indicated his confidence that the claim would be recovered.

I was asked by one hon. member concerning the market borrowings of Canadian National Railways and the course of borrowings from the Minister of Finance. Provision is made in this annual legislation for the financing of Canadian National Railways. Authorization is given to the Minister of Finance to extend loans to the company, and provision is also made for public borrowing on the market.

When we came into office in 1957 we found there had not been any market issue on the part of the C.N.R. for some very considerable time. Indeed, we found that the C.N.R. had borrowed something like $400 million from the treasury and no effort had been made, certainly no sufficient effort, to liquidate that indebtedness to the treasury by borrowing through a public issue of bonds. Since that time we have provided out of the treasury for the current needs of Canadian National Railways, but the company has at intervals of approximately one year undertaken a market offering with a view to liquidating in whole or in part that indebtedness to the treasury.

That is the course that has been followed. The timing, the amounts, the terms of these offerings are a matter of consultation between the management of the company and the Minister of Finance. I think it is a matter of some satisfaction that a high degree of success has been attained in connection with these offerings of Canadian National Railways. The government, of course, must be consulted in these matters, because these bonds of the company are offered only with a guarantee by the Minister of Finance on behalf of the government.

The hon. member for Burnaby-Coquitlam suggested that the last offering was a great surprise. I do not know on what authority the hon. gentleman makes a statement like that. Certainly within the ordinary decisions of selection and timing in these matters, I think everyone was well aware that there had not been an offering of C.N.R. bonds for approximately one year, and that the pattern that had been followed indicated that these offerings were being made at intervals of approximately one year.

I was invited also to give some projection on a long range basis of the future policy and future financial position of Canadian National Railways. I must modestly at once assert that that is rather a tall order to put to anyone. This is going to depend upon many factors, factors related to the economic growth of the country, to the preferences of the public, to the broad direction of economic growth and change and also those questions which go to the root of the whole basis of the outlook for railway transportation in general in the future. There are so many factors that enter into the situation and qualify anything one might say in this respect that I do not think it would be profitable to attempt to read the future in that regard for very long at a time.

Mr. Chairman, may I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Fleming (Eglinton): Mr. Chairman, the last subject that I was making comment upon was the request that I endeavour to give some long range projection of the future course of the operations, business outlook and finance of Canadian National Railways. This is a subject that is engaging the attention of the best minds in Canadian National Railways. I have indicated reasons why it is difficult to be precise in a field of this kind very far into the future. This is a field that is undergoing very rapid change, as anyone who has followed the history of railway operations over the past couple of decades well knows.

Mention was made also of what were described as limitations on the annual review of the operations of the Canadian National system. Well, the thought that immediately came to my mind was this, Mr. Chairman. There is very full opportunity available to hon. members of the house through the appointment of the committee that is set up annually for this purpose. This year the committee sat for four consecutive days, namely March 28, 29, 30 and 31. Those were lengthy sessions that the committee held. I do not know of any large corporation engaged in private enterprise which is submitted at its annual meeting to a four-day examination of the details of its business, the way this crown corporation and its subsidiary, Trans-Canada Air Lines, are. The annual meetings of most of the large corporations in this country, which are comparable in size and extent with the Canadian National Railway's operations, last normally for not more than half a day. This is not to suggest that there should not be fuller examination, if any hon. member on that committee wishes, into the affairs of Canadian National Railways. I am simply pointing out that probably the affairs of Canadian National Railways, at the hands of this committee established annually by the house for the purpose, receive a fuller and more searching examination than the comparable affairs of any similar corporation engaged in private enterprise in this country.

If any hon. member has not obtained all the information he sought in that committee it is not possible for me to take any responsibility in that respect. One must remember, of course, Mr. Chairman—and I think this is the point that has been raised by the representatives of management of Canadian National Railways in appearing before the committee—that after all they are engaged in competition with another transcontinental railway, namely the Canadian Pacific Railway. They are also engaged in competition with trucking interests and other forms of transportation; therefore they feel that, in relation to some detailed aspects of their business, to give fuller information would be to make available to their competitors information which could be used to the detriment of the system.

Now, here is a problem in balance, the problem on the one hand of affording to the elected representatives of the people the fullest information concerning the operations and finances of a crown corporation, and on the

other hand seeking to protect the competitive position of that company in relation to its competitors.

I think the final subject that was raised concerns the entry of Canadian National Railways into trucking operations. This has been referred to by several hon. members from British Columbia. This, Mr. Chairman, if we ever embarked upon it, could prove to be a very large subject, and I think it would be unprofitable to us here and now to attempt to discuss it broadly or enter upon the time-honoured debate as between railway operations and trucking operations. I have had some long experience with this subject, Mr. Chairman, and I think I have some appreciation of its extent and ramifications.

The fact is that the railways of this country over long years have been engaged in other forms of transportation than rail operations. The Canadian Pacific has operated a system of steamships; Canadian National Railways for a time also operated a steamship service. Both companies are engaged in air operations, and the Canadian Pacific Railway Company has been engaged in trucking operations in some forms for some years. It was this fact which led Canadian National Railways to represent to the government, something like a year and a half ago, that in order to protect their competitive position vis-à-vis the Canadian Pacific system, and also their position in the face of competition from truckers, it would be necessary for them to enter into trucking operations to some extent.

The committee will recall that a year ago the plan of Canadian National Railways to invest a total of $15 million in the acquisition of trucking rights and operations was discussed and approved. This year the committee was informed by the management of Canadian National Railways that during the past year the company had undertaken commitments in relation to the acquisition of trucking rights and facilities amounting to $5 million. The 1960 budget of the company contemplates the expenditure of a further $5 million for this purpose.

Mr. Donald Gordon, as some hon. members pointed out this morning, indicated why he felt he should not be pressed to give the committee particulars as to the contracts the company had entered into for the acquisition of trucking rights and interests. I am not in a position to give the committee any further information in that regard at this time. In any event, I think the house would normally expect to receive information of that type through the Minister of Transport rather than through the Minister of Finance. But when these negotiations are completed and the particular trucking lines are acquired, I presume the president of Canadian National Railways would not then maintain the objection he expressed in the committee to giving details. I understand that he was protecting the position of the company in pending negotiations, or in any event protecting the position of the company until these various purchases had been consummated.

A question was raised about the C.N.R. acquiring transcontinental trucking services. It was pointed out by several hon. members this morning that this did not look like using trucks as feeders to a railway system. No, it does not, Mr. Chairman. As I understand what Mr. Donald Gordon was saying in this respect, it was that there are certain types of traffic that are moving even transcontinentally by truck, with respect to which the railways do not find themselves in an effective position to compete with the trucking operations because of the advantages of flexibility that rest with the trucks. It was with a view to putting the Canadian National system in a position to compete with these services that, as I read his evidence, Mr. Donald Gordon was indicating that the company might wish to establish transcontinental services as distinguished from services that might be regarded as feeders to normal rail operations.

I believe the house is well aware that both railway companies have used trucking services very effectively as feeders to their rail services, and they have maintained—I have no doubt that in this respect they are on sound ground—that apart from providing such trucking services they are not in a position to compete effectively against truckers for certain classes of traffic.

I think the final aspect of this matter that was raised was whether there might be any question of suppression of competition if a company like Canadian National embarked more extensively into the field of trucking operations and bought up existing services. I do not think anyone need have any fears about lack of competition in transportation in Canada. This is a very highly competitive field. Indeed, there has been an intensification of competition in this field in the last quarter century that has left the railways in a position where, working under severe regulation as they have been, they have maintained that they are prevented from protecting their position in the face of new forms of competitive transportation. So these are all considerations that have entered into the decision of the management of Canadian National Railways to enter the trucking field, and the reasons the present bill, which is related to the budget for 1960, contemplates the investment of a further $5 million in the acquisition of trucking rights and facilities.

Because answers in detail on certain negotiations were not available to this year's committee does not mean, as I interpret the evidence, that information of that kind would not be available next year after negotiations are completed with respect to contracts which were under negotiation or had not yet been consummated at the time the committee was sitting in March last.

Mr. Benidickson: Mr. Chairman, I should like to refer first to the last point dealt with by the minister, namely the type of information requested by a couple of other members of the committee from Vancouver. I think one of them quoted some reference in the proceedings to what I had said, but I want to assure the minister that I was endeavouring to lend some help to the president of the road if, from the competitive point of view, a short period of time was required before giving this information. But I think all members of the committee will agree that that concession having been made in the committee, and the fact that the point was not pursued, gave the committee the very definite understanding that there was a commitment that before we passed this legislation we would find the Minister of Transport in his seat ready to give this information. He is not here today, but perhaps he could be here on second reading of the bill, inasmuch as there was a definite understanding that the legislation could not be expected to receive passage in the house with the approval of most hon. members unless this information was provided.

I do not think it was quoted by hon. members who spoke on this subject this morning but I believe a point was reached in the proceedings—I cannot put my finger on the passage at the moment—where the president indicated that if pressed he would even give the information then. Certainly we all got the impression that there was a commitment so far as the president was concerned. I think he was grateful for the extra two months for negotiation, but he did not expect the legislation would pass without giving the information to parliament which supplies these funds.

Before we approve the resolution there is another point on which I should like a little more information from the minister. When he rose to reply he said he had obtained the impression from the debate that he was being characterized again as the wicked Minister of Finance. I certainly do not think that is the impression he has conveyed today. If he is to be criticized at all, I think he might be criticized on the grounds of extraordinary benevolence and complacency.

[Mr. Fleming (Eglinton).]

Mr. Fleming (Eglinton): I was referring to the suggestion that there had been some interference on the part of the Minister of Finance with the operations of the management of Canadian National Railways in relation to its capital investment program.

Mr. Benidickson: Quite; and it is on that point that I wonder whether the committee will not come to the conclusion that the minister and his department are perhaps not checking on these matters sufficiently. I raised the point originally that last year, within a few days after we had been considering legislation identical with the legislation we are considering now, the C.N.R. came to the conclusion that an amount of $24½ million in the funds that parliament had been asked to provide a few days earlier was not going to be necessary. I raised the question this morning whether the same kind of thing would happen this year.

I have more reason to raise the question about this year's budget. I failed to draw this to the attention of this committee this morning but I recall that in the sessional committee on railways, air lines and shipping owned by the government the president himself said, although I do not think he put a dollar value on it, that the budget included an item for 40 diesel locomotives which might not be required this year.

I indicated in my main remarks this morning that the operating experience, as reported for the first four months, has been very disappointing indeed. The road is not even equalling the equivalent net revenue position of 1959. Indeed, in the first four months it has gone behind the experience of 1959 to the extent of $7.5 million. I just cannnot imagine the minister being so indifferent to this situation that he or his officers would overlook this suggestion of the Canadian National that this item might not be required; and inasmuch as the budget has been prepared many months ago, I would think that before a bill was prepared for parliament the minister would scrutinize the capital requirements again and ask whether or not there are to be reductions such as were made a few days after this legislation was passed last year. I would think he would ask in particular whether the report to parliament, along the lines indicated by the president of the road, was in accordance with the circumstances, and whether it is going to be necessary in 1960 to provide financing for these 40 diesel units to which reference was made on page 55 of the report of the committee on railways, air lines and shipping.

Mr. Fleming (Eglinton): Mr. Chairman, our information is that this capital program is required. The hon. member speaks about this

program having been prepared many, many months ago. It is not quite that long, Mr. Chairman. It is true that work on the preparation of the annual budget, as regards both capital expenditures and current operations, is begun before the end of the previous year, but this type of document is under examination in the early months of the succeeding year and the house has had an opportunity, through the committee, to obtain any recent information on the subject. It was in line with the situation at the end of March that the committee examined the budget and proposed capital expenditures for 1960. I do not profess to have anything new, anything different, anything to vary the picture as disclosed to the committee of this house by the management of Canadian National Railways.

Mr. Benidickson: This information was provided on March 28. Many millions of dollars are involved. The remarks of the president of the road on March 28, to which I referred on page 55 of the minutes, read as follows:

> We have a commitment item in the 1960 budget for an additional 40 units, for which commitment authority was previously granted, but these locomotives will be purchased only if traffic should exceed our expectations in the latter part of 1960 or during 1961.

Surely, with money for any purpose being as scarce as it is, the parliament of this country would expect the minister and his officers, after two months from the receipt of this type of information and before asking us for unnecessary authority, to make inquiry and try to determine whether, having regard to the operating results which are very depressing, this commitment need be made by this parliament in the bill that will follow this resolution.

(Translation):

Mr. Dubois: There is, in my riding, an organized trucking service operating in areas not served by the railways.

Today, after years of difficulties, private interests have managed to set up a service which is entirely satisfactory to their customers.

Now that the operation is soundly established, railway companies want to set up a trucking service of their own.

We know that, for years the C.N.R. has been unable to take care of its own expenditures and that every year it requires government subsidies to meet its operating costs. Well, if for the sole purpose of competing with existing services, the railway puts in a trucking business which cannot meet its own expenditures—as is already the case for its railroad operations—are we not justified in wondering whether, sooner or later, the government will not be faced with the obligation of supplying new grants to cover more losses in that respect?

If the railways are allowed to enter that field, our truckers and private trucking companies will sustain losses that will be too much for them, and will have no other alternative than to apply for government grants to make up for their deficits.

In my opinion, Mr. Chairman, it would not be to the government's advantage to encourage railways to establish trucking operations, especially in areas where there are no railroads and where there will probably never be any.

If private concerns or interests have been successful in providing the transportation needs of any given area, I fail to see why railways should be allowed to compete with them.

Therefore, I am all in favour of the suggestion made by the hon. member for Vancouver-Kingsway (Mr. Browne) and I move that the matter of highway transportation be referred to a royal commission on transport.

(Text):

Mr. Fisher: I just wanted to ask the minister if he could give us any indication as to whether the amount of money being extended by the Canadian National to Trans-Canada Air Lines is the same as was indicated in the annual report of Trans-Canada Air Lines, namely approximately $82 million for this coming year.

Mr. Fleming (Eglinton): There is no information to change that indication, Mr. Chairman, since the matter was before the committee. This figure is largely influenced by the requirement of Trans-Canada Air Lines in relation to the purchase of new equipment.

Mr. Fisher: On page 365 of the committee report we find the Trans-Canada Air Lines property and equipment budget for 1960, 1961 and 1962, and we have a rather remarkable cut-down in major construction as you get past 1960. When you look at Canadian National Railways chart No. 14, page 62, which was displayed to us by the president of the C.N.R., you get an indication that there is going to be a rather remarkable cut-down in capital expenditures, although we did get an indication that the fixed charges were going to go up for a number of years until they hit a peak at some $70

million. This is the sort of projection which I was talking about, which would be very useful.

I am wondering what the attitude or position of the government is going to be with regard to making absolutely sure these projections are carried out. What guarantee have we that we are going to get this continued cut-down in these rather large expenditures? Can we assume that Canadian National Railways and Trans-Canada Air Lines are entering a decade in which their capital needs will be such, no matter what difficulties either one of these lines may get into, that we can absolutely count on the fact that this is going to continue on its downward path?

Mr. Fleming (Eglinton): Unfortunately there are wide fluctuations from year to year in the capital requirements of Trans-Canada Air Lines. The figures appearing on page 365 of the proceedings of the committee for the years 1960, 1961 and 1962 very clearly illustrate this fact. It happens that in 1960 Trans-Canada Air Lines is taking delivery of a great deal of new equipment. Their program arises out of re-equipment of their principal lines of operation, and that equipment is being delivered in 1960. Then largely with the completion of that program their requirements for 1961 and 1962 will be very materially reduced.

It is of course unfortunate from the financing point of view that it is not possible to level out the requirements more evenly than these figures indicate, but that is a situation which results from the program of purchases that the company has entered into. This was the only way in which arrangements could be made for delivery of the new planes with which they are equipping their major lines.

Mr. Fisher: I will not put in a rhetorical way but rather in a general way. Can the minister say he is satisfied that one can take a fairly optimistic view about the financial position of these two government enterprises in the next, say, five or ten years?

Mr. Fleming (Eglinton): Mr. Chairman, perhaps I should have said, in enlargement of my answer to the hon. member's previous question and observations, that I gave intensive personal study to this very point, because I do not need to disguise my concern over the very heavy volume of capital expenditure by Trans-Canada Air Lines in the year 1960. I would have been much happier in relation to other responsibilities that the government must meet if the capital expenditure of Trans-Canada Air Lines could have been spread out more. But there was no possibility of meeting this situation in any other way because the contracts had been entered into, deliveries are provided for in 1960, and payment must be made in this coming year.

Now as to the longer outlook, here again, Mr. Chairman, I do not propose to substitute myself for the officials of Trans-Canada Air Lines who came before the committee and were there available to be questioned on these very matters. I can only say that from the government's point of view the same due regard will be had for seeking a sound approach to the provision which must be made for these crown corporations to enable them to discharge the function that parliament has given them to perform.

Mr. Benidickson: Mr. Chairman, the minister made no comment after the last remarks I addressed to him. I indicated this morning that there were several stages of scrutiny of requirements. The president of the C.N.R. indicated to us that his field people thought that this year they would need capital expenditures of $272 million; that this was reviewed by a committee at head office and was brought down to $225 million; that the president himself gave it his personal attention and it was brought down to $197.6 million. There is no indication here that anything happens after that comes to the government. Is that the impression the minister wants this committee to retain?

I indicated to him a place where the committee was informed that certain funds might not be necessary for this year, that if conditions were not very good some 40-odd diesel locomotives might not be required. In the interval of two months since that evidence was given to parliamentarians, does the minister want to convey the impression to this committee that the cabinet does not inquire into these things and that they sort of automatically rubber stamp a request of this kind from the crown corporation?

During the luncheon recess I made some calculations about funded debt, to which I made reference this morning, and I found that the grand total at the end of 1951, before the reorganization, amounted to $1,472 million. There was a writing off, as all people know, of some of the debt of the road, with the result that the balance sheet showed that at the end of 1952 the grand total, instead of being $1,472 million, was written down to $605 million. The total has now gone from that figure of $605 million to a total at the end of 1959 of $1,686 million. That is an increase of $1,081 million, and takes no account of an additional increase in debt that is paying no interest, namely the purchase of preferred shares.

The original amount of purchase as shown in the balance sheet for the first year after reorganization, December 31, 1952, indicated that the preferred 4 per cent shares amounted to $754 million. In the annual report for last year they are shown as amounting to $904 million. That is an increase of $150 million, in addition to the $1,081 million which I have indicated as the amount of increase in funded debt since reorganization. In other words, it shows a total increase since December 31, 1952 of $1,231 million. I am not saying that has not progressed under the former administration as well as the present, but I do say that there were at least three surpluses during the previous regime and we have not had them recently.

The hon. member for Port Arthur raised some very pertinent questions today, as to whether this supply of new funds year by year has actually improved the financial position of the road. I think all of us in the committee would be perturbed if we felt that the minister and his colleagues simply felt obligated to approve automatically a request which came from the management when we are dealing with outstanding sums such as we have been talking about today.

Mr. Fleming (Eglinton): Mr. Chairman, to anyone who has not been following this debate, the hon. member's remarks would leave a very misleading impression. I dealt with this subject before the luncheon adjournment, and I made it quite clear that the capital budget of Canadian National Railways, like the capital budgets of other crown corporation, comes before the government. It is reviewed in the Department of Finance before it is approved. The hon. member, I am sure, must be familiar with the law in that regard.

I do not know of any justification that anybody has had for suggesting that the government has operated in any respect like a rubber stamp. I have never heard that allegation asserted before, Mr. Chairman, in relation to the discharge of the responsibilities of the Department of Finance in reviewing budgets and expenditures.

What the hon. gentleman had to say earlier on the subject of equipment acquisition also called for some comment. When any large corporation of this kind prepares its program of capital investment it is not possible to fit it wholly into the groove of the measurement of the 365 days of the year that the calendar creates. These are plans which naturally require time to fulfil. Questions arise as to forward commitments, as to deliveries, and many other things which affect the tempo and rate of the acquisition of equipment and the fulfilment of programs of capital investment. The C.N.R. has done what any corporation would do in its planning in this respect. It has a requirement in relation to capital equipment and it makes the best estimate as to what, in the first place, it is prudent to acquire within the succeeding calendar year from a financial point of view. Within that limit, again, is the question of what may be expected in the way of deliveries.

That is the situation in which we find ourselves with respect to this matter of equipment. Full disclosure was made in the committee as to the equipment requirements and the plans of the company for the acquisition of equipment, including the diesels. The corporation has based its budget upon deliveries of some of the capital equipment needs that it projected. I think this is all on record before the committee.

Mr. Benidickson: Is the minister, in effect, saying to all of us that notwithstanding the statement which I read from page 55 of the committee report, made over two months ago by the president of the railroad, that 40 locomotive units might not be required if economic conditions were not good—is the minister saying that despite this he does not propose, between this stage of the debate and his presentation of a bill in which he must set out certain figures, to make any inquiry so we can be sure when we are asked to pass a bill with certain sums of money mentioned in it that these are the minimum sums which will be required for 1960?

Mr. Fleming (Eglinton): I hope the hon. gentleman is not going to persist in trying to put words in my mouth which were never there. He has been at pains to take certain capital expenditures proposed for 1960 and try to relate those expenditures to 40 diesel locomotives. The fact is that in the equipment classification plans of the C.N.R. there are not 40 locomotives contemplated, but 140. There is other equipment which the company plans to acquire, and the information which the company has furnished indicates that this sum which is provided for here in relation to capital equipment, totalling approximately $35 million, is what is going to be required in 1960 and will need to be paid for in 1960. That is the item amounting to $35 million in round figures. That is the request by the company for the acquisition of equipment. It is related to a need for a substantial volume of equipment, and it will be acquired as available in 1960.

Mr. Benidickson: Whether or not this equipment is secured in 1960, or paid for in 1960, is the minister going to say to this committee

that in the bill he is to present based on the present resolution there will not be included an authorization to the C.N.R. to make this commitment for the 40 diesels I mention at a future date, or that there is not still an opportunity to cancel this decision in view of present economic considerations?

Mr. Fleming (Eglinton): I do not know what present economic considerations the hon. gentleman has in mind.

Mr. Benidickson: The operating results of the railroad.

Mr. Fleming (Eglinton): The hon. gentleman has been attempting today to rewrite the current budget of the C.N.R., and to paint a gloomy picture as to the prospects of the company. I have said in reply that I do not intend, and I do not think it is my function, to stand here and revise the estimates which were put forward by the competent management of the C.N.R.

In relation to the acquisition of equipment in the capital investment program of the company for this year what is provided for here is the acquisition of a portion of a much larger total of locomotives, passenger cars, freight cars and work equipment units. The company has asked for a sum of approximately $35 million designed to make provision for what is considered a reasonable portion of this capital equipment need; reasonable from the standpoint of the resources available to meet it, and reasonable from the point of view of expectation of deliveries in 1960.

The Chairman: Shall the resolution carry?

Mr. Benidickson: No. Specifically on this resolution, I ask whether these 40 diesel locomotives are not part and parcel of the phrasing of this resolution. If the resolution were passed without amendment, or without amendment in the bill, would we not be giving authority to Canadian National Railways to make certain capital expenditures or to enter into certain contracts prior to July 1, 1961 respecting these units commitments which extend for almost 13 months ahead? I am referring, of course, to the locomotives. All I have asked the minister to do is to inquire of the management of the C.N.R. before he presents his bill to this house in final form on second reading; to ask the management and report to this house whether the company intends to order these 40 diesel locomotives, because two months ago the president of the railroad said that if economic conditions were not good they probably would not be required.

Mr. Fleming (Eglinton): If it will make the hon. gentleman any happier I will be glad to ask the management of the C.N.R. the question he put. However, I doubt very much if it will have any effect on the figures submitted to us here today. I have talked about the figure for acquisition of equipment. I have referred to the fact that this is a portion or fraction of a larger program for the acquisition of capital equipment, the aggregate of which is, in round figures, $35 million, of which $26,345,000 is related to the acquisition of locomotives, passenger cars, freight cars and work equipment units.

I should just like to add on this subject that there is no new commitment authority for diesels in this capital budget. The provision for equipment authority is all old. It has already been provided by parliament. The total of these previous commitment authorities is $33.5 million. Of this, only $20.7 million is expected to be a cash requirement this year. The rest, namely $12.8 million, will be required in the future if all the equipment is in fact ordered, and commitment authority for this purpose already exists. A large part of these sums is due to diesels.

Mr. Regier: I wonder whether the minister is able to inform the committee as to the rate of interest which Canadian National Railways must pay the government of Canada for the $400,000 which he indicated was owing to the government until very recently.

Mr. Fleming (Eglinton): That is at the current rate charged to crown corporations. As the hon. member, I think, is aware, a rate is struck every six months for the six months commencing April 1 and the six months commencing October 1. That is applicable to borrowings from the treasury by all crown corporations. It consists of the current rate that the government must pay on the sums it borrows plus a service charge of one eighth of one per cent.

Mr. Regier: Can the minister indicate what rate prevailed on the $400 million he indicated was owing?

Mr. Fleming (Eglinton): That was owing when we came into office in June of 1957?

Mr. Regier: Yes.

Mr. Fleming (Eglinton): I would have to look back for that, Mr. Chairman. The rate might very well vary from the rate set at the time the loan was entered into. That $400 million was the total of loans going back over a period of some two and a half to three years, as I recall it. The rate in each case would be set at the time the advance was made. I would have to go back and obtain the hon. member those figures.

Mr. Regier: Thank you. In his budget address on March 31 last, as reported at page 2674 of *Hansard,* the Minister of Finance said:

> Over and above these expenditures that are charged to the budgetary accounts we have under authority of parliament disbursed considerable sums for loans, advances and a number of other essential purposes. These included loans of $325 million to Central Mortgage and Housing Corporation, $233 million to the C.N.R.—which, however, repaid $489 million on account of these and earlier loans from the proceeds of public issues of government guaranteed C.N.R. bonds—

I remind the minister that the C.N.R., either on its own volition or on orders from the minister, obtained $300 million, the proceeds of which loan were used to repay to the government money that had been advanced by it to the C.N.R. They offered $200 million of five year bonds at 5½ per cent and $100 million of 25 year bonds at 5¾ per cent. I understand that the yield on the bonds offered was close to 6 per cent.

In other words the minister insisted on repayment of the advances made and on which the C.N.R. had to pay an additional burden through interest. I do not know the rate, nor does the minister offhand, but knowing interest rates as they were a number of years ago I expect that the C.N.R. paid the minister on this sum somewhere between 3 per cent and 4 per cent. The minister, because of his own financial predicament, caused the C.N.R. to apply to the money market for $300 million, and to repay with that money the advances it had received. Therefore the railway was burdened with an additional interest levied on the money obtained, and all of this merely to relieve the minister of the financial difficulties in which he found himself.

Mr. Fleming (Eglinton): That is utterly untrue.

Mr. Regier: If the minister can offer another opinion we would be interested in hearing it. He admits that the proceeds were turned over to the consolidated revenue fund in the repayment of advances. The minister will have to admit that the C.N.R. had to assume an additional interest burden because of the financial difficulties the minister was in at the time. The minister did not appeal to the money market or issue bonds. The hon. gentleman issued treasury bills—

Mr. Fleming (Eglinton): Why do you not inform yourself on the facts once in a while and stick to them?

Mr. Regier: He was so hard up at the time he had to pay up to 6.8 per cent on the money he needed from the money market in order to protect himself and his reputation and in an effort to find a scapegoat—

Mr. Fleming (Eglinton): Mr. Chairman, I rise on a point of order. Do we have to sit and listen to the rules of the house being broken in this way through the hon. member making observations of this kind? There is a rule of this house which is supposed to make it improper for hon. members to cast reflections on other hon. members or impute motives to them. The hon. gentleman has said that a certain course of action was taken at that time to protect the reputation of the Minister of Finance. Surely there must be a limit to this kind of doggerel.

Mr. Martin (Essex East): On the point of order, Mr. Chairman, surely the Minister of Finance is beside himself—

Mr. Fleming (Eglinton): It was Paul who was beside himself.

Mr. Martin (Essex East): The hon. member is advancing an argument. Any argument that reflects on the administrative capacity of the Minister of Finance is not out of order, although it may be incorrect. I do not believe it is always incorrect, but in this instance it may have been. The fact that the minister has been attacked in his administrative capacity is certainly no ground for intervening. The trouble with the Minister of Finance is that he always intervenes in the speeches of others.

Mr. Regier: I notice that the minister is very touchy. Before one o'clock he referred to himself as the evil minister. I know the minister as an individual is most benevolent. I am willing to grant that he is the kindest man in the committee. In my opinion the policies the minister implements are evil, and I was discussing his administration of those policies. On March 31 last as reported at page 2681 of *Hansard* the minister said:

> During 1960-61 we shall probably require about $290 million for housing loans, including new and existing commitments, about $150 million for C.N.R. and T.C.A. capital investment and refunding—

On March 31 the minister indicated that he needed $150 million. Today in this resolution he indicates that he needs over $200 million. What has happened in the interval? Roughly only 70 days have elapsed, yet already there has been an increase from the announced figure of $150 million to over $200 million. How does the minister account for the discrepancy? I think the minister will agree—he will have to agree—that he asked the Canadian National Railways to pay into the consolidated revenue fund hundreds of millions of dollars which the company had to obtain from the money market at a much

higher rate of interest than the rate of interest it was obligated to pay under the terms of the advances as they were made. The minister by his own action, therefore, added an undue burden to the operating expenses of our Canadian National Railways.

At the same time I should like to reply to what I consider to be most unwarranted attacks on the Canadian National Railways, which were launched by the hon. member for Vancouver South and endorsed in some measure by the hon. member for Vancouver-Kingsway and also the hon. member for Burnaby-Richmond.

The hon. member for Vancouver South indicated that the Canadian National Railways ought to be operated on the same basis as the Canadian Pacific railway; it ought to get itself in the black, he said, and it ought to remain there. The hon. member for Vancouver South ought to realize that Canadian National Railways, when it was originally organized as a government owned enterprise, had to absorb all kinds of bankrupt railway corporations and ensure that the investors in those organizations would not lose a nickel on their investment. Therefore there was an undue burden placed on the Canadian National Railways at that time which was partially eliminated by legislation a number of years ago but has never been entirely eliminated. In addition, Canadian National Railways as a public enterprise is repeatedly called upon to serve public interest, the national interest, regardless of the balance of expenditures and revenues; whereas the Canadian Pacific Railway Company does no such thing; it is under no obligations. It operates only when there is money to be made; whereas Canadian National Railways has to operate whatever railways are needed regardless of the possibility of earning a net return. Also, Canadian National Railways has not the heritage that the Canadian Pacific railway has, in that it did not receive those vast natural resources. There is no Consolidated Mining and Smelting Company to which Canadian National Railways can appeal for other revenue to help its over-all balance account.

Mr. Broome: Will the hon. member please look at the Canadian Pacific statement and compare other railway operating revenues and leave those ancillary operations out of the picture. Also will the hon. member please remember that both railways report to the board of transport commissioners.

Mr. Regier: I will do as the hon. member asks but I will contend that Canadian National Railways have to offer many services to the Canadian people as a whole—

[Mr. Regier.]

Mr. Broome: Such as what?

Mr. Regier: —in the national interest, which the Canadian Pacific railway will not offer.

Mr. Broome: Such as what?

Mr. Regier: The hon. member asks "Such as what?" I contend that in the matter of grain movements which, as the hon. member knows, have to be operated at a loss, Canadian National Railways is the railway which has to bear the brunt of moving grain at an uneconomical rate and the Canadian Pacific railway is able to get off relatively scot free on that account.

Mr. Broome: Will the hon. member specify?

Mr. Regier: The hon. member has only to look at the railway map and he will immediately realize that it is Canadian National Railways that hauls the bulk of the grain out of Manitoba, Saskatchewan and Alberta, and the Canadian Pacific railway has very little of this burden.

Mr. Fleming (Eglinton): How ridiculous.

Mr. Speakman: How little you know about grain hauling.

Mr. Regier: I know a little about the railways. I know Canadian National Railways has to bear the brunt of this uneconomical operation. I also know there are oodles of branch lines all over the Dominion of Canada which are uneconomical and if they are owned by the Canadian Pacific railway the service is discontinued. However, if they are owned by Canadian National Railways they have to supply this railroad service in the national interest. The Canadian National Railways has to assume many a burden that the Canadian Pacific Railway Company is able to escape.

Mr. Drysdale: Has the hon. member comparative figures for the two railway systems to submit? Can he assist the committee by giving the figures?

Mr. Regier: I ask the hon. member to have one look only at the railway map of Manitoba, Saskatchewan and Alberta.

Mr. Drysdale: I am not interested in the railway map; I am interested in getting figures to make a comparison of what the hon. member says is a fact.

Mr. Regier: I shall return to the hon. member in a moment.

Mr. Brunsden: What is the relative mileage of the Canadian Pacific and the Canadian National in the largest grain-growing parts of Manitoba, Saskatchewan and Alberta?

Mr. Pascoe: He does not know anything about it.

Mr. Regier: I am not a railway director. If the hon. member knows the figures I will be very happy to have him place them on the record.

Mr. Brunsden: Look at the map.

Mr. Regier: I dare any hon. member on the government side of the house to produce the figures as to the mileage of each of the railway companies in Manitoba, Saskatchewan and Alberta, and I think if they do they will realize that Canadian National Railways is at a distinct disadvantage.

The hon. member for Vancouver South indicated that the board of directors of the Canadian National Railways had no control over Canadian National Railways; that the control they have does not come anywhere near the authority exercised by the board of directors of the Canadian Pacific Railway Company. I hope I have not misinterpreted his basic assumption in this regard. If the hon. member would take the time to investigate all the other responsibilities and offices held by the directors of the Canadian Pacific Railway Company I think he would immediately agree that these men—I believe he indicated they were 24 in number—are so occupied with so many other enterprises that they are unable to give the close supervision to the operations of the Canadian Pacific Railway Company that he and I would like to see them exercise. These are honorary positions and management has almost complete sway in this as well as in many other corporations. The hon. members for Vancouver-Kingsway and Burnaby-Richmond seem to be very concerned about Canadian National Railways being able to buy out competing truck lines. I did not hear them voice any opposition to the Canadian Pacific railway buying out truck lines.

Mr. Browne (Vancouver-Kingsway): You were not listening.

Mr. Drysdale: The C.P.R. was not before the committee.

Mr. Regier: We used to have a spokesman representing the interests of the Canadian Pacific Railway Company in the House of Commons. He was an opposition member then but he is now Prime Minister. He is no longer able to represent the interests of this organization and now we have the hon. member for Vancouver South and the hon. member for—

Mr. Fulton: Mr. Chairman, on a point of order, if I understood the hon. member correctly he has just made an allegation which again, if I understood him correctly, is so unfounded that I think he should be asked to withdraw it, particularly in the absence of the Prime Minister.

Mr. Martin (Essex East): What was the allegation?

Mr. Fulton: The allegation was that when the Prime Minister was in the opposition he was a spokesman for the Canadian Pacific Railway Company. That, sir, is entirely unfounded, and in the light of that fact and especially in the absence of the Prime Minister I think the hon. member should withdraw that allegation.

Mr. Regier: May I say that if necessary I will amend my statement—

Mr. Fleming (Eglinton): Withdraw it first.

Some hon. Members: Withdraw.

Mr. Regier: —and say that the Prime Minister used to speak on behalf of the Canadian Pacific Railway Company in the house and now we obviously have new representatives in the house of the interests of the Canadian Pacific Railway Company as opposed to the interests of the Canadian National.

Mr. Fleming (Eglinton): A shocking untruth.

The Chairman: I think the hon. member will agree that he cannot say that any member of the house speaks on behalf of special interests, and I am sure he will correct his statement further and in a clearer manner than he has done up to now.

Mr. Fleming (Eglinton): Withdraw.

Mr. Churchill: Withdraw.

Mr. Regier: I will amend it in line with your wishes, Mr. Chairman, and say that the effect of the representations made by the hon. member for Prince Albert used to advance the interests of the Canadian Pacific Railway Company and the effect of the remarks of the hon. members for Vancouver South, Vancouver-Kingsway and Burnaby-Richmond is to advance the interests of the Canadian Pacific Railway Company as opposed to the interests of the Canadian National.

Mr. Drysdale: On a question of privilege, Mr. Chairman, I would ask the hon. member to withdraw these remarks because they are unfounded in the light of the facts. The only railway before the committee was the Canadian National, as the hon. member should fully understand, and the statements I made were made in an attempt to get certain information from the president, Donald Gordon, as to their activities with respect to

truck lines. Mr. Gordon indicated that perhaps the information would be available some two months later. I have sought to get this information to ascertain where Canadian National Railways is going in its trucking program. I have no interests in the C.P.R. or the C.N.R. I was only trying to find out something about what was in fact discussed by the committee and I object to the hon. member drawing unwarranted conclusions which are not justified by the facts and the statements I made.

Mr. Fulton: Mr. Chairman, on the question of privilege, I am sure the hon. member for Burnaby-Coquitlam will realize on reflection that he has not withdrawn the allegation he made that the Prime Minister was a spokesman for the Canadian Pacific Railway or, alternatively, that he represented the Canadian Pacific Railway's interests. That is an improper allegation which is entirely unfounded and incorrect, and I suggest that the hon. member should withdraw it without qualification.

Mr. Regier: I thought I had done so when I said that in effect—

Mr. Diefenbaker: Mr. Chairman, I rise on a question of privilege immediately. The hon. member allegedly made the statement that during my representation in the House of Commons I spoke for the C.P.R., intimating that I had acted for the C.P.R. at some time or other. That statement is false in its entirety. At no time throughout my entire period as a solicitor—not that I would deny it if it were a fact—in my professional capacity have I acted directly or indirectly. In addition, the statement that I have expressed the viewpoint of the C.P.R. in the House of Commons is without any vestige of truth, and I ask that the hon. gentleman withdraw.

Mr. Regier: I thought I had made it perfectly plain that I had absolved all these members, the hon. member for Prince Albert, the hon. member for Vancouver South, the hon. member for Vancouver-Kingsway and the hon. member for Burnaby-Richmond of any intent to represent the interests of the Canadian Pacific Railway Company in the house as opposed to any other interests. However, I do contend that the effect of the representations they have made in the house has been to aid the interests of the Canadian Pacific Railway in opposition to the interests of the Canadian National.

Mr. Drysdale: Nonsense.

Mr. Regier: I think I am completely within my rights in expressing my opinion of the effect of their representations.

Mr. Drysdale: The facts do not bear you out. That is a lot of nonsense.

[Mr. Drysdale.]

Mr. Diefenbaker: Mr. Chairman, I never ask for a withdrawal except when statements are obviously made with improper purposes in mind.

Mr. Regier: I object, Mr. Chairman. On a question of privilege, the Prime Minister has no right to impute improper motives to me or to any other member of the house.

The Chairman: Order. A point of order has been raised and I will hear the hon. member on the question of privilege after the point of order has been disposed of.

Mr. Diefenbaker: Mr. Chairman, no improper motives were imputed. A statement was made that simply has no basis. I do not require absolution from the hon. member. I require a withdrawal of any suggestion of truth in the statement that he made.

The Chairman: As I have mentioned, no hon. member may impute any motive to any other hon. member. I understand that the hon. member for Burnaby-Coquitlam is willing to withdraw his statement, and if I heard him correctly he has withdrawn completely.

Some hon. Members: No, no.

Mr. Fleming (Eglinton): With respect, Mr. Chairman, the hon. member did not say he withdrew. He simply said, "I will amend my statement", and then he went on and said something equally objectionable under the rules of the house. The hon. member has said something that is in breach of the rules of the house and with respect I say he should be called upon to make an unqualified withdrawal of his assertion that the Prime Minister, as he first said, represented the C.P.R. in the house and, as he later said, spoke on behalf of the C.P.R. in the house.

The Chairman: In any event, in order to make the position clear I am sure that the hon. member for Burnaby-Coquitlam will clarify his withdrawal.

Mr. Regier: I thought I had made it perfectly clear but I will reiterate what I said earlier. I withdraw completely any imputation or impression that these hon. gentlemen represent the Canadian Pacific railway in the House of Commons. What I maintain though is that the effect of what they say is to advance the interests of the Canadian Pacific Railway Company over and above those of Canadian National Railways. I think I am right in placing my interpretation on the effect of their speeches while at the same time realizing that their motives are as noble and as good as my own.

Mr. Fleming (Eglinton): Mr. Chairman, it is regrettable that the time of this house must be taken up in listening to speeches of the kind that has just occupied the time of the committee, if not its attention. We have just listened to some of the most pathetic nonsense that I am sure has ever been uttered in this house. If there is any resemblance at any point in the hon. member's lengthy remarks to the facts and the truth, then surely that resemblance must be purely coincidental. The hon. member's statements bear no resemblance to the facts in relation to what he said in regard to Canadian National financing or in his attacks on hon. members of this house.

Mr. Martin (Essex East): Why not state the argument instead of flinging insults?

Mr. Fleming (Eglinton): Will the hon. member kindly confine himself to conducting his own affairs in the house without seeking to rule the house or his friends in it?

The hon. member began by drawing on his imagination in regard to the financing operations of Canadian National Railways in the open market, and made some assertions and accusations in which there is not one tittle or shred of truth or foundation. In the first place, he pictured Canadian National Railways as enjoying a favourable rate of interest as long as they were able to borrow from the treasury, and then they were pushed out into the cold to borrow money at a higher rate of interest. It is regrettable that the previous administration had not followed the proper course from time to time of having the borrowings of Canadian National Railways from the treasury liquidated. Apparently the hon. member's idea is that so long as money is owed by Canadian National Railways to the treasury, everything is all right. Well, the treasury has to go and borrow that money. This is the simple fact which, in his presentation of the situation, was completely omitted.

Mr. Benidickson: If the government have a surplus they do not need to go out and borrow.

Mr. Fleming (Eglinton): The hon. member cannot afford to talk very much about a surplus. In the period in which his party formed the administration, if there was a surplus, why was it this huge amount of $400 million was left to accumulate in the treasury?

Everybody knows that Canadian National Railways, over the period of years it has been in operation, has been meeting its money requirements on an interim basis by borrowing from the treasury. Then at periods that were regarded as suitable the railway has gone into the market and has offered bonds, with the guarantee of the Minister of Finance, and with the proceeds from those bond issues has liquidated, in whole or in part, its indebtedness to the treasury. This is what should have been done earlier than 1957, and that is what we were left to undertake. In the beginning of 1958 Canadian National Railways put out an issue of $300 million of bonds bearing a 4 per cent coupon, and that issue was oversubscribed. This sum was used to liquidate part of the indebtedness to the treasury.

The hon. member said that on that and subsequent occasions the treasury was not borrowing in the market and that we resorted to having Canadian National Railways borrow in the market so the treasury would not be in that position. The fact is that all throughout this period the treasury was undertaking marketing operations of its own, and there is just no truth in the imaginative flight of fancy of the hon. member. The second issue by Canadian National Railways was put out in the spring of 1959 when they floated an issue of $150 million. Then the third issue of $300 million was floated last November, 1959. There is just not any truth in his statement in this regard. Canadian National Railways borrowed at the current rate; the rate at which the treasury lends money on an interim basis to Canadian National Railways is the rate which the government has to pay on its borrowings, plus a service charge of one eighth of one per cent. This is said by way of correction of this distorted, imaginative statement by the hon. member for Burnaby-Coquitlam.

I apologize for having to spend any time in dealing with the other remarks of the hon. member; such extraordinary, far fetched and baseless statements as those in which he indulged this afternoon in his atttack on hon. members of this house. I do not believe, Mr. Chairman, that any hon. member in this house is lacking in his duty to Canadian National Railways in relation to the sittings of the committee or any of the matters that came before that committee or any of the matters that are under debate today. For any hon. member to arrogate to himself the exclusive right to be the champion of Canadian National Railways is not only to assume a mantle that does not belong to him but to cast aspersions on every hon. member in this house. I am sure every one of the hon. members is seeking earnestly to discharge his public duty, and that public duty involves passing upon questions related to the financing and operations of Canadian National Railways. I think it reflects no credit on the hon. member to resort, as he has done this afternoon, to baseless, personal charges directed against other hon. members in this house.

Mr. Regier: I must say that the minister, despite all his verbosity, has completely failed to explain why, at a time when he was in difficulties in the money market, he forced the Canadian National Railways to meet its obligations to the minister, and why Canadian National Railways had to borrow money on the open market, paying an interest rate that was in excess of the rate of interest that it was paying on its obligations of some $400 million to the minister. I refer once again to the admission made by the minister in his budget speech of March 31 last when he admitted that Canadian National Railways repaid $489 million on account of its earlier loans from the proceeds of the issue of government guaranteed Canadian National bonds. The minister was in difficulties at that time, because he well knows,—

Mr. Fleming (Eglinton): You don't know what you are talking about.

Mr. Regier: —despite his assertion to the contrary, he was issuing treasury bills that produced a yield as high as 6.8 per cent in the latter months of last year. He was in difficulties to the extent where he had to use Canadian National Railways as the whipping boy. He had to force this railway company to go on the market, to borrow on the market, rather than the minister going to the market to issue bonds. The railway company would have to issue bonds at a much higher rate of interest than they were currently obligated to pay the minister.

The minister has not yet disclosed how much the difference in interest rate was between what the railway company was then paying to him on its obligations to the consolidated revenue fund and the rate the railway company had to pay on the money that it had to borrow on the market.

In so far as this other issue is concerned, it is obviously all right for the Canadian Pacific railway to buy up truck lines ad nauseam. However, the moment Canadian National Railways attempts to protect itself and, incidentally the public interest, by invading this field, there is a hullabaloo raised both in the committee and on the floor of this house about the arrogance of Canadian National Railways.

I believe that what is sauce for the goose is sauce for the gander and if the Canadian Pacific Railway Company is at liberty to buy out these truck lines in order to eliminate competition it also ought to be equally right, although I am not saying it is right in the first place, for the Canadian National railway company to do this, more especially so since the Canadian National Railways operates in the interest of the public at large and very often has to assume uneconomical responsibilities which the Canadian Pacific Railway Company is not obligated to assume.

My over-all contention holds that the government of today is fundamentally a friend of the Canadian Pacific Railway Company and its actions are to the detriment of the interests of the Canadian public as a whole.

Mr. Fleming (Eglinton): Mr. Chairman, the only comment I have to make on that is that the hon. member has done violence to the truth. He does not know what he is talking about, but that has never stopped him from talking yet.

Mr. Regier: I wonder if I might ask the minister how much was the increase in the interest rate that the Canadian National Railways has had to assume as the result of its having to repay to the government of Canada the sum of $489 million? Was it 1 per cent, 2 per cent, or what?

Mr. Fleming (Eglinton): It was the going rate in the market where the company, in accordance with time-honoured and proper practice, was borrowing to repay other indebtedness. It has no right to impose upon the treasury and enjoy hidden advantages there.

Mr. Regier: Since the minister is obviously unwilling to answer, may I ask him how much of an additional burden by way of interest rates he imposed on our publicly owned railway system?

Mr. Fleming (Eglinton): I dealt with that subject earlier.

Mr. Regier: May I ask if the minister has any intentions of using this $203,950,000 taken out of consolidated revenue and making it available to the Canadian National Railways, or is he again going to ask the Canadian National Railway Company to obtain its capital funds on the money market.

Mr. Fleming (Eglinton): Mr. Chairman, is there no limit to stupidity? The practice which will be followed is the practice which has been followed hitherto. The interim financial needs of Canadian National Railways will be met by borrowings from the treasury, and at what will be considered jointly by Canadian National Railways management and the Minister of Finance to be a convenient time an offering will be made of bonds, if that is the decision to be taken, and out of the proceeds the treasury will be repaid the amount of those interim borrowings by Canadian National Railways.

Mr. Benidickson: How does that differ from the policy under the previous administration?

Mr. Fleming (Eglinton): It does not differ in the long run from that policy. The only trouble is that the previous administration just skipped it the last three years it was in office.

Mr. Benidickson: The difference is that the previous administration had funds in surplus on hand to loan to Canadian National Railways and the present administration has been operating under a terrific deficit.

Mr. Fleming (Eglinton): The difference is that the previous administration apparently chose not to go to the market but chose to see the indebtedness accumulating and accumulating further and further. Why they did that I do not know, but it was not a responsible course.

Mr. Regier: I wonder if the minister would admit that he is able, as Minister of Finance, to obtain money on the market at a lower rate of interest than is a crown corporation on the issuance of government guaranteed bonds?

Mr. Fleming (Eglinton): There is a very slight difference normally between government issues and government guaranteed issues. It is a very small fraction.

Mr. Regier: Would the minister explain why Canadian National Railways ought to be burdened with this additional rate of interest?

Mr. Fleming (Eglinton): It is not an additional rate of interest at all, Mr. Chairman. What the hon. member is suggesting is that the treasury should give some special advantage to Canadian National Railways as compared with what the cost of that money is to the treasury. The policy that has been followed and is going to be followed is that money will be available from the treasury to crown corporations which are entitled and authorized to borrow from the treasury at the cost of that money to the treasury plus the service charge.

Mr. Smallwood: Mr. Chairman, along with other irresponsible remarks by the hon. member for Burnaby-Coquitlam he mentioned that Canadian National Railways hauls the bulk of the grain under the Crowsnest pass agreement. I would like to inform him and other hon. members of the committee that my information is that in 1959 the C.P.R. received $37.7 million and the C.N.R. received $32.5 million; and the C.P.R. hauls the bulk of the grain.

Mr. Benidickson: On the point just raised I would refer the hon. member to the evidence given by the president of the C.N.R. I am not getting into an argument except to say that I think we need some accuracy. The president of the road, whether with the approval of the government or not I do not know, gave evidence on behalf of the crown railroad to the royal commission on freight rates to the effect that his road was losing about $40 million per year carrying grain at statutory rates. It would be of interest to know whether or not he had the approval of the government for making that condemnation of statutory grain rates and, second, whether he had the approval of the administration for offering a remedy, namely that that should be taken care of in the form of a government subsidy to be paid by the taxpayers.

Mr. Fleming (Eglinton): Mr. Chairman, that remark is not worthy of the hon. member. He knows perfectly well the position which the Prime Minister of this country has taken time and again on this subject and he knows perfectly well that there is not the slightest truth in either of the allegations he has just now made.

Mr. Martin (Essex East): Oh, stop moralizing.

Mr. Fleming (Eglinton): Then stop providing the necessity for it.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-69, to authorize the provision of moneys to meet certain expenditures of the Canadian National Railways system.

Motion agreed to and bill read the first time.

INTERNATIONAL DEVELOPMENT ASSOCIATION

APPROVAL OF ARTICLES OF AGREEMENT AND PAYMENT OF SUBSCRIPTION

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting the international development association, to approve the articles of agreement thereof and to provide further for the payment out of the consolidated revenue fund to the association of an amount or amounts not exceeding in the whole an amount equivalent to the subscription assigned to Canada, that is to say, thirty seven million, eight hundred and thirty thousand United States dollars.

Motion agreed to and the house went into committee, Mr. Flynn in the chair.

Mr. Fleming (Eglinton): At its last annual meeting the board of governors of the international bank for reconstruction and development unanimously requested the executive directors of the bank to formulate articles

of agreement of an international development association. The purpose of the resolution now before the house is to obtain the approval by parliament of the articles of agreement which have been drafted in accordance with the board's resolution to authorize participation by Canada in the association, and to authorize the payment to the association of the subscription allotted to Canada under the articles of agreement.

The articles of agreement of the association are attached as a schedule to the bill. They are to a large extent self-explanatory and for that reason it may accord with the wishes of the hon. members to reserve their remarks principally for the debate on the second reading of the bill. However, I should review, now, the main features of these articles.

The purposes of the association are to promote economic development, increase productivity and raise standards of living in the less developed areas covered by the association's membership. As hon. members know, the need of less developed countries for capital from abroad is in excess of their capacity to make payments of principal and interest on loans secured on conventional terms. The association will provide finances to meet important developmental needs on terms which are more flexible and bear less heavily on the balance of payments than those of conventional loans. It will thus help to fill an important gap in the existing international machinery for assisting less developed countries.

It is expected that the membership of the association will be the same as that of the bank. Total subscriptions will amount to $1 billion payable in five annual instalments. The subscription assigned to each prospective member will be found in schedule A to the articles of agreement. It will be seen that the more economically advanced countries, those listed in part I of the schedule, which includes Canada, will subscribe $763.07 million. Their subscriptions will be payable in gold or freely convertible currency. The less developed countries, those listed in part II of the schedule, will subscribe $236.93 million of which 10 per cent will be payable in gold or freely convertible currency, and the balance in local currency. The finances provided by the association will be used for further development in the less developed areas of the world covered by the membership of the association.

The scale of subscriptions is the same as the one used by the international bank. Under this scale, Canada's share of total subscriptions will amount to $37.83 million (U.S.) of which approximately $8.7 million would be payable 30 days after the association started its operation and $7.3 million in each of the next four years. The articles of agreement do not involve any commitment on the part of member governments to make further contributions to the association after their initial subscriptions have been paid at the end of the four-year period. The bill now before the house limits the Canadian commitment to $37.83 million (U.S.). However, the association may at some later date review the adequacy of its resources and, if it deems desirable, authorize a general increase in subscriptions. If this were to happen and the government wished to increase the Canadian subscription, it would be necessary to seek authority from parliament.

The articles of agreement authorize the association to accept supplementary contributions in a currency other than the currency of the country making the supplementary contribution. Thus a country holding counterpart funds in another country may offer to put these funds at the disposal of the association. In considering such offers, the association will pay due regard to the possibility of effectively using the supplementary contributions and to their possible inflationary and other undesirable effects.

The association will be set up as an affiliate of the international bank and its operations will be closely integrated with those of the bank. The president of the bank is to be president of the association; both organizations are to have the same board of directors; and, to the extent possible, the staff of the bank is to be appointed to serve concurrently as the staff of the association. The close integration of the bank and the association should help to keep administrative costs down, allow the association to benefit from the accumulated experience, wisdom and knowledge of the bank, and ensure that the efficient administration and effective use of resources, which have been apparent in the operations of the bank, will also characterize the operations of the association.

The association will give assistance only to less developed areas and only to its own members. Aid to be financed from subscriptions now proposed—that is to say, from the $1 billion to be subscribed in the first five years—will all be provided in the form of loans. The terms under which the loans will be extended are not specified in the articles. They might take various forms. For example, payment of interest, or principal or both might be in a local currency; or the interest rate might be below current commercial rates; or there might be a long period of grace before payment of principal begins.

The terms of each loan will be decided by the board of directors in the light of all relevant factors.

The articles of agreement also provide that in the procurement of goods and services required for projects which it is financing the association shall give due regard to considerations of competitive international trade. The association will seek to subject the procurement of goods and services to the maximum amount of international competition and whenever possible to international competitive bidding. Firms from all member countries, including Canadian firms, will thus have the opportunity to provide the goods and services to be financed by the association.

The association will not commence operations before September 15, 1960 and the articles of agreement will remain open for signature until December 31, 1960. The agreement will not come into force until it has been signed on behalf of the governments whose subscriptions comprise not less than 65 per cent of total subscriptions. Many of the main potential contributors have already initiated the legislative action necessary to allow them to become members of the association. In the United States the Senate has already approved the legislation; the banking and currency committee of the House of Representatives has also approved it and the legislation is expected to go before the house some time this week. In the United Kingdom I understand from our latest information that the second and third readings of the bill have been completed in the House of Commons and the second reading in the House of Lords. In Australia the legislation has received royal assent. In other countries, such as Germany, France and Norway, legislative action has also been taken.

The proposal to establish the international development association has received widespread support. All major industrial countries have indicated their willingness to subscribe to the association. The administrative and operational arrangements provided for in the articles of agreement will, I believe, ensure the efficient management and operation of the association.

Hon. members will, I am sure, agree that it is in Canada's general political and economic interest to assist less developed countries in their efforts to accelerate the pace of their economic development. The establishment of the international development association will add substantially to the flow of assistance already going to these countries and will provide this assistance on terms and conditions which are not presently available from any existing international organization and which are well suited to meet the needs of less developed countries.

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Canadian membership in the association will supplement our efforts under the Colombo plan and our other assistance programs. It will provide further tangible evidence of Canada's continued interest and sympathy in the complex and difficult problems facing the less developed countries and of our willingness to help as best we can in their solution. It will strengthen the warm and friendly relations which we have long maintained with less developed countries. The establishment of the association should result in increased contacts between Canadians and the people of these countries and thus lead to a better mutual understanding. Canada is blessed with many of the resources which are required for economic development and in the long run I would expect that as a result of economic progress in these countries trade on a mutually beneficial basis will grow between them and Canada.

I intend to propose to the committee that after the bill has been given second reading it be referred to the standing committee on banking and commerce. I am further going to suggest that that committee take advantage of the opportunity to invite Mr. Louis Rasminsky, the very eminent and highly respected deputy governor of the Bank of Canada and Canada's member on the executive board of the international bank, to come to the committee and testify in any way that the committee may desire. Mr. Rasminsky has had a long and very fruitful association with the international bank and has played a very important part as Canada's representative on the executive board of the bank in the fashioning of the articles of association for the proposed international development association.

Those few remaining members of the house who were members of the banking and commerce committee in the autumn of 1945 will long remember the testimony given before that committee by Mr. Rasminsky when the Bretton Woods legislation was submitted to the house and to that committee at that time. I think this will afford all hon. members an opportunity to obtain all the first hand information they may desire in relation to the international development association and its relationship with the international bank. This may also serve the desirable purpose of perhaps shortening debate in the house because I think all hon. members will feel better qualified to express their opinions after they have had the detailed and searching study and analysis of this measure that will be afforded in the banking and commerce committee with so eminent a witness as Mr. Rasminsky before it. That is the proposal I will be making in due course after the bill has received second reading.

International Development Association

Mr. McMillan: I must say I was glad to hear the minister state that when this resolution has been enacted into a bill and given second reading it will be referred to the committee on banking and commerce where we will have a better opportunity to examine all the details.

Canada's share, as the minister has said, amounts to $37,830,000 which is a fraction of the $1 billion to be made available by members of the international bank. I did not hear the minister say whether or not all 68 members of the international bank will be subscribing but I presume that is so.

Mr. Fleming (Eglinton): That remains to be seen, Mr. Chairman. They have the right to subscribe but it remains to be seen if they will exercise it.

Mr. McMillan: I have not read the articles of agreement but as the minister said they have to do with the conditions under which loans are made and the countries to which loans may be made.

I take it that the loans are for projects in those countries that are underdeveloped and unable to borrow money through the bank. The minister did not say whether or not these loans are for manufacturing plants and I would certainly like to know what type of projects are under consideration. These loans not having the safety and security required by the international bank cannot be made by that bank and that is the reason for the setting up of this association. I understand that the $1 billion loan was proposed first by the United States and that the secretary of the treasury there, Mr. Robert Anderson, said that the United States may have to curtail the outpouring of dollars from that country.

The Minister of Finance himself according to the Montreal *Gazette* appealed for an end of all trade discrimination against Canada, the United States and the countries in the dollar area. I believe the minister was right in suggesting that after we have given favourable consideration to countries in our own markets and particularly to those countries in the sterling area they should not impose discriminatory restrictions on our exports.

I noticed—and this is by the way—that the minister in speaking at this meeting described our own economy and said that at that time we were proceeding from a time of heavy deficits to a balanced budget in our economy. I was rather intrigued that the minister when speaking down there should have given as a reason for our high interest rates the fact of heavy government borrowing. That is by the way, but actually those were his words.

[Mr. Fleming (Eglinton).]

The minister said the reason for high interest rates in this country is because of heavy government borrowing.

Mr. Pugh: Would the hon. member permit a question. Is that the only reason the minister gave?

Mr. McMillan: Heavy government and industrial borrowing.

Mr. Fleming (Eglinton): That was not the only reason at all.

Mr. McMillan: Those were the only two reasons the minister gave but that is beside the point. I was rather intrigued that the minister should give that as the reason for high interest rates in this country because he would never do so in this chamber although from time to time in this house we have suggested that that is the real reason.

I believe the minister should doubly assure us when we vote our subscription that it will not be discriminatory to Canada.

According to a press report carried in the Ottawa *Journal* of October 1, 1959 the minister at a press conference in Washington expressed concern that these soft loans to the impoverished countries might be utilized by the United States as a vehicle for the expansion of a vast food give-away program. The minister should tell us what assurance he has from the United States that this will not take place.

Mr. Fleming (Eglinton): I have already done that this afternoon, Mr. Chairman. The statement the hon. member refers to was made before the articles of association were drafted. In that regard I am happy to say we have been gratified by what has been written into the articles of association. I dealt with that in my remarks this afternoon.

Mr. McMillan: Were those articles of association not known at that time?

Mr. Fleming (Eglinton): They were not in existence at that time; they were drafted last autumn.

Mr. McMillan: We will refer to section 2 of the articles later. I should like at this time to ask the minister to express his opinion on the concern which he said at that time he had that the United States might raise its tariffs. The secretary of the treasury of that country said he would have to take a close look at the United States balance of payments. I presume the only way the United States could correct these, if unfavourable to that country, would be by raising tariffs.

While in Washington the minister referred to two or three other subjects probably outside the scope of the discussion of this resolution. One had to do with the price of gold which

is stabilized at $35 an ounce. I do not suppose the minister will comment on that but at that time he referred to the premium on the Canadian dollar which stood at 5 per cent and which now is much less. I should like to ask the hon. gentleman if there was any action taken on the part of the government in bringing about this much desired decrease in the premium which will certainly assist our exporters and serve to relieve unemployment?

We are in favour of this legislation. The minister should give us some assurance on these matters that I have brought up and particularly in connection with the articles. I should like to be assured that the articles are as he stated; that there will be no discrimination against Canadian trade and that he has an assurance from the United States that they will not raise tariffs against our exports.

Mr. Regier: Our group very definitely intends to support this resolution. We believe that the more we can do in the matter of supplying help to and the capital needs of underdeveloped nations the better. We believe that it is not only our moral duty to do this but that it is in our own national long term economic interest to help underdeveloped countries of the world to raise their standards of living because in our opinion this will add to the potential markets available to Canadian export interests.

I should like to make one proposition. It is now being proposed that we establish yet another international organization in order to make capital funds available to help the development of the underdeveloped areas of the world. I am a little afraid that there may be duplication of effort and endless expense in overhead. I would much rather have noted an attempt to expand existing organizations so that this particular need might be met.

We have the international bank, we have the International Finance Corporation, we have the Colombo plan, we have the various agencies under the auspices of the United Nations. Now it is being proposed that yet another international agency be created for what is basically the same purpose as is the purpose of a variety of existing organizations. I believe that we are getting overloaded with numbers of agencies and that we might more usefully have explored the possibilities of amending the legislation having to do with existing organizations in order that we might accomplish the aims of the organization that it is now proposed we affiliate ourselves with.

I am a keen observer of the investments being made by Canada and by Canadians in other nations and investments being made by outside agencies in Canada. If we are really concerned with the brotherhood of man and with the development or the maintenance of world peace I think all of us ought to be concerned with the realization that for a goodly number of years now we have been on balance importers of investment capital. I believe this is wrong. I believe that when we consider the world as one community we in Canada ought to be a little ashamed of what has happened. I believe that on balance we ought to be exporters of capital rather than importers.

I appreciate this resolution because it will help a little bit toward what I feel is the over-all aim that the rich ought to help those who are less rich and that Canada has a responsibility to the rest of the world community. My only reservation is as to the method being offered. I feel that we might very well have used other facilities of the United Nations, and that would be most preferable. However, if that was impossible of accomplishment we might have extended either the international bank or the Colombo plan in order to meet the aims that are now offered.

We heard only a little while ago that the government is giving very serious consideration to even yet another international organization in order to help the nations of Africa. I regret that the line of development is in the direction of more and more independent organizations. I believe that in the interests of economy and efficiency we ought to pay a lot more attention than we have in the past to this. Rather than entertaining each and every new brain wave that appears on the international scene we ought to consider the lack of mobility of existing organizations with the aim that we might expand those organizations to accomplish our larger aim.

Mr. Martin (Essex East): Mr. Chairman, this is an important resolution. In the context of the situation that exists in the world it is perhaps among the most important proposals that the Minister of Finance has laid before this house. My recollection is that when this project was first proposed—I think it was in February, 1958, by Senator Monroney of Oklahoma in the Senate of the United States and later formulated more officially—the reaction of the Minister of Finance in Canada was not as favourable as the very strong support for it which he recommended to the house today. If that is so—and I am only speaking from recollection—I am very happy that he has seen—

Mr. Fleming (Eglinton): Faulty recollection.

Mr. Martin (Essex East): —fit to correct his earlier reaction.

International Development Association

This international development association seeks to assist, as I followed the minister and from the researches that I have been able to make, the underdeveloped countries or, as they are more correctly called, the less-developed countries of the free world by extending the flow of developmental capital on terms which are more flexible than those which exist now under any existing agency.

I share some of the concerns of the hon. member who has just spoken about the increasing establishment of international organizations. I was concerned as to why the objects of this particular body could not have been served by some modification in the international bank for reconstruction and development. I am satisfied why that is not possible. I have before me the special report of the national advisory council in the United States on the proposed international development association. It is therein pointed out that the international bank for reconstruction and development, which has made such a notable contribution, now finances its operations almost entirely by borrowing in open capital markets.

As we know, the bond issues of the international bank are made available to private investors in all countries which are members and perhaps, for that matter, in the markets of the world, and I think 75 per cent of the debentures are supported and guaranteed by what I would call the donor countries. The report goes on to say on page 1:

> Accordingly, its loans must carry rates of interest sufficient to cover the bank's own interest and administrative cost and to provide reserves against the possibility of default. The term of its loans must be related, though less directly, to the maturity at which the bank itself borrows. It must receive payment in the currencies lent. The bank cannot prudently lend unless there is the probability that borrowers can service loans on the terms required by the conditions of the bank's operations.

I think that is an explanation as to why the bank, certainly as now constituted, could not provide this service although, as the Minister of Finance said, this new association is to be regarded hereafter as an affiliate of the international bank. I think the need for this particular fund must be apparent to anyone who has any appreciation of the condition of the underdeveloped countries of the world, whether they be in Asia, Latin America, Africa or the Middle East. We are not going to have peace unless the more fortunate nations recognize their obligations toward these less developed countries. That is the philosophy and motivation of this proposal.

All countries need capital for their growth. Those countries with low savings and low income present the greatest need for capital assistance. I have mentioned some of the regions. The less developed countries need large amounts of capital. They need large amounts of capital equipment to encourage and to realize the development that is required. All we have to do is to remember the effectiveness of the Marshall plan in Europe which set into being the productive processes of the economic system in Europe. The new prosperity of Europe may be largely attributed to the assistance given by the Marshall plan and in essence, in principle, this particular proposal is designed for the same purpose in the less developed areas.

These less developed countries, as I say, need capital just as we all do. Some of this capital they can get out of their own current savings. Some can be obtained by them by borrowing in conventional ways and some capital can be obtained by assistance from private investors. But in most of these less developed countries the need for capital imports is in excess of the amounts which they can hope to secure through the regular channels I have just mentioned, so the justification of this multilateral body must be apparent to all members.

I have examined the articles of agreement with some thoroughness. It is interesting to note that the number of countries that will be on the receiving end and who are listed in part II of the schedule is considerable. As the minister pointed out, their total contributions to the $1 billion fund will be $236,930,000 compared with contributions amounting to $763,007,000 which are to be provided by those countries in part I, which includes Canada and, of course, most of the countries in the western world as well as Australia and Japan.

I note with interest that while the United States will be the largest contributor and the United Kingdom next, followed by Germany and France, Canada will be the fifth largest contributor in this group. Our subscription, which is provided for in the resolution, is to be $37,830,000 payable, as the minister observed, over a period of five years. That, by the way, provides a flexibility which should encourage many other countries to join the association, an encouragement that is not open in the case of some other organizations such as the Colombo plan and even the technical assistance operations of the United Nations.

The United States contribution is to be $320,290,000 and the other so-called economically strong countries are to provide $442,780,000. An interesting feature of the articles of agreement is that the funds provided

by all the countries, both those which will be entirely in the lender class, as it were, and those which will be in the class of both lenders and beneficiaries, are to be freely convertible. That has, of course, positive advantages but, as the hon. member for Welland pointed out a few minutes ago, it has for Canada some potential dangers which the minister feels have already been anticipated by the wording of the articles of agreement. However, I do want to say a word about this danger for Canada.

The developing countries are themselves to subscribe $236,930,000 and I understand from reading the articles of agreement that 10 per cent of this amount will be freely convertible. The subscriptions are to be paid as I said, over a five-year period and the contributions by the less developed countries are only circumscribed by the examination of each project as it will be presented. However, there is a statement in the words of approval given the whole plan by the President of the United States that I think should be examined. I look at section 2 (a) of article III of the agreement and I find that it reads this way. Even though the section is long I read it because of its importance to Canada. It is in these words:

> The association may enter into arrangements, on such terms and conditions consistent with the provisions of this agreement as may be agreed upon, to receive from any member, in addition to the amounts payable by such member on account of its initial or any additional subscription, supplementary resources in the currency of another member, provided that the association shall not enter into any such arrangement unless the association is satisfied that the member whose currency is involved agrees to the use of such currency as supplementary resources and to the terms and conditions governing such use.

Now this feature of convertibility is unique. It is certainly one of the reasons why the resources of or the institution of the bank itself could not be used. I have no doubt that the government of the United States and other signatories to these articles of agreement intend to give the interpretation which the Minister of Finance says this particular section warrants. However, I notice that in the letter of transmittal by the President of the United States to congress he says, in the middle section of his letter, the following:

> In addition, the association may accept supplementary resources provided by one member in the currency of another member. Thus, some part of the foreign currencies acquired by the United States primarily from its sales of surplus agricultural commodities may be made available to the association when desirable and agreed to by the member whose currency is involved.

Now there have been stories in some financial journals recently indicating, because of the growing surpluses of agricultural products in the United States, that some of the concerns which the people of that country feel towards future methods for the disposal of those surpluses. We should be alerted to this potential situation. I would suggest to the Minister of Finance that Canada ought to give very careful consideration to whether the United States fully subscribes to the minister's understanding of what section 2 has to say in that regard. The two sentences I have read from the President's letter of transmittal, certainly warrant the suggestion that this matter should be looked at carefully.

The minister has said he is going to suggest that this matter be sent to the committee on banking and commerce. That is a wise suggestion. It will afford an opportunity of examining the articles of agreement in detail and learning about those articles from Mr. Rasminsky. I fully subscribe to the deserved tribute which the Minister of Finance has paid to Mr. Rasminsky whose services were noted by the minister as extending from 1945. Of course Mr. Rasminsky served Canada long before that in the bank. He served in the economic section of the League of Nations over a long period. He was one of the most constructive officials at Bretton Woods, as the minister noted. He is one of those men who will be enshrined in history because of his work in connection with the establishment of the economic and social council of the United Nations.

And so this concept does provide an opportunity for countries like our own to promote conditions of peace in the world. This is one of the most effective ways by which that can be done. It is only fair when we criticize the United States so much in this house, I think generally with justification, that we should observe that the idea for this further assistance came from that country, a country that has been most generous with its resources and with its treasure in trying to assist areas of the world that need assistance, particularly since the end of the second world war. It is perhaps symptomatic of the tensions that prevail and the clashes that exist between the two main ideological divisions that the Union of Soviet Socialist Republics is not designated here as a potential member. It is interesting to note, however, that such countries as the United Arab Republic and Israel are included in part II, as well, of course, as countries like Australia, Belgium and the great powers and Japan, in part I. This particular resolution, Mr. Chairman, is one which will receive wide support in this house, in principle, and I believe that in the effort that civilized countries are making today to achieve peace this venture will,

in the judgment of history, prove to be amongst the most effective methods.

Mr. Carter: Mr. Chairman, since it is two minutes to five, may I call it five o'clock?

The Deputy Chairman: I am sorry, but it is not five o'clock as yet.

Mr. Carter: The principle of this resolution is one which all hon. members can support. It is a principle which recognizes a duty and obligation on the part of those countries which have developed a fairly high standard of living to assist with the development of those countries which are developed to a lesser extent. The legislation to follow this resolution, as the minister pointed out, will enable Canada to make her contribution, thus encouraging development, increasing productivity and raising the standards of living in underdeveloped countries. This is a very worthy motive. It is inspiring when the have nations of the world can engage in a co-operative effort of this kind to assist the have not nations.

However, if the principle is good with respect to other countries of the world, surely the principle is equally good in its application to the underdeveloped parts of our own country. What a great thing it would be for the unity of Canada if the more developed provinces, the richer provinces of Canada, would engage in a similar co-operative effort to assist in the development of those parts of our country which are still underdeveloped. Is it too much to hope that before long the minister will introduce legislation embodying the very same principle to set up some development corporation or some fund that will be used in a similar way for the development of other parts of our own country.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-70, respecting the international development association.

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

Mr. More: Before you leave the chair, Mr. Speaker, I should like to ask leave of the house to have the second reading of Bill No. S-30, item 354 on today's order paper, proceeded with first, and then follow with consideration of Bill No. S-29, item 384 on today's order paper, and Bill No. S-34, item 386 on today's order paper.

[Mr. Martin (Essex East).]

Mr. Caron: That would mean that Bill No. S-24, No. 383 on the order paper, will be omitted for today? Then I will accept that.

Mr. Speaker: Is the house prepared to give unanimous consent to varying the order of the items listed under private bills by taking first, items No. 354, respecting Western Surety Company; item No. 384, respecting Allstate Insurance Company of Canada; No. 385, respecting the Wawanesa Mutual Life Insurance Company; and No. 386, respecting the Wawanesa Mutual Insurance Company

Some hon. Members: Agreed.

WESTERN SURETY COMPANY

Mr. K. H. More (Regina City) moved the second reading of Bill No. S-30, to incorporate Western Surety Company.

He said: This bill for the incorporation of Western Surety Company is proposed by Western Surety Company Limited, a Saskatchewan corporation. The origin of this company can be traced to 1909 when the Saskatchewan Fidelity and Guarantee Company was incorporated in Saskatchewan. In 1949 this company was taken over by the Saskatchewan government insurance office, but its managers immediately formed Western Surety Company Limited which has carried on business under that name for more than 10 years.

The business of the company has been limited to fidelity and guarantee insurance and the company's name well describes the type of business in which it will engage. The company's main operations have been carried on in the province of Saskatchewan, but it also became licensed to carry on business in Alberta. As its business has grown, the company has found that it would be desirable to incorporate federally to enable it to give a more complete service to its clients.

The company has been well and conservatively managed and will have no difficulty in meeting the operating requirements established by the department of insurance.

In the usual way I suggest that the bill be given a second reading and be referred to the house banking and commerce committee where officers of the company will be available to answer detailed questions.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

ALLSTATE INSURANCE COMPANY OF CANADA

Mr. G. E. Halpenny (London) moved the second reading of Bill No. S-29, to incorporate Allstate Insurance Company of Canada.

He said: Mr. Speaker, the purpose of this bill is to incorporate a Canadian insurance company by the name of Allstate Insurance Company of Canada.

The Allstate company has been doing business in Canada since 1949 and up to this time the United States company has been a wholly owned subsidiary of Sears-Roebuck. The proposed Allstate Insurance Company of Canada will be 50 per cent owned by Sears-Roebuck and 50 per cent owned by the Canadian company, Simpsons-Sears Limited.

I might say that in 1959 they did a business in Canada of approximately $14 million worth of premiums, of which 98 per cent was automobile insurance.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

THE WAWANESA MUTUAL LIFE INSURANCE COMPANY

Mr. Gordon Chown (for Mr. Mandziuk) moved the second reading of Bill No. S-33, to incorporate the Wawanesa Life Insurance Company.

He said: Mr. Speaker, in the absence of the hon. member for Marquette (Mr. Mandziuk) I have been asked by the parliamentary agent to sponsor these two private bills.

These two bills are complementary one to the other.

The Wawanesa Mutual Insurance Company was first incorporated under the mutual fire insurance act of the province of Manitoba in 1896. This was followed by incorporation under special act of the parliament of Canada assented to on May 1, 1929. It has been in active operation for some 64 years.

Although the head office of the company is, and always has been in the comparatively small town of Wawanesa in Manitoba, the company which writes fire and casualty insurance has been conspicuously successful and operates throughout Canada. In fact it is reported to be the largest mutual fire and casualty insurance company in Canada and does the second largest fire insurance business in the dominion. As at December 31, 1959 the company had admitted assets of $30 million, a surplus of over $8 million, government deposits of more than $12 million and insurance in force of more than $1,200 million.

The company has taken a leading part in many developments in the field of insurance. For some time the directors and officers of the company have been considering organizing a mutual life insurance company with the object of utilizing further its extensive network of branches and agencies throughout Canada. This project was acted upon by the directors early this year. At the suggestion of the department of insurance the principle was submitted to a special general meeting of the members, that is the policyholders, of the parent company since that company will provide, if these bills are passed, the guarantee fund for the new life company. The proposal was unanimously approved by the members at the meeting held on April 29 last. To give effect to this decision the act incorporating the parent company requires amendment, giving specific authority for contributing to the guarantee fund.

The bills have been under careful study and review by the superintendent of insurance and his officers. When the bills are referred to the banking and commerce committee the officers of the insurance department and the managing directors of the company will be present to supply further information that may be desired.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

THE WAWANESA MUTUAL INSURANCE COMPANY

Mr. Gordon Chown (for Mr. Mandziuk) moved the second reading of Bill No. S-34, respecting the Wawanesa Mutual Insurance Company.

He said: Mr. Speaker, this is the second bill with respect to the organization of a new company and the whole purpose of the bill is to authorize the parent company by way of this amendment to make contributions to the guarantee fund of the Wawanesa Mutual Life Insurance Company in accordance with clause 11 of this proposed bill.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

VIVIAN PHYLLIS STEINE SKOLNIK

The house in committee on Bill No. SD-51 for the relief of Vivian Phyllis Steine Skolnik—Mr. McCleave—Mr. Rea in the chair.

On clause 1—*Marriage dissolved.*

Mr. Howard: Mr. Chairman, I should like to make a few comments on this bill. The petition alleges that a number of things took place, and in pursuance of the practice of considering the specific item before us, I think we should examine this measure.

The petition indicates that on or about December 22, 1957, the petitioner was lawfully married to the respondent, in this instance, and that at the time of the marriage both the parties were domiciled in Canada and have ever since continued to be, and are, domiciled in Canada in the province of Quebec.

Private Bills—Divorce

Point 6 of the petition says that on or about April 24, 1959 at the Queen's hotel in the city and district of Montreal the respondent committed adultery with a corespondent whose name is given. Further evidence is given later concerning whether the statements made in the petition are correct or not. The evidence of the petitioner was taken, as appears on page 9 of the report. She is sworn, and gives evidence with respect to her name, her address, her residence and occupation. Then the following exchange takes place:

By the Clerk of the Committee:

Q. I show you a photograph, of whom is it a likeness?
A. My husband.
Q. Approximately when was it taken?
A. That was taken around November, 1957.
Q. Is it a good likeness?
A. Oh, yes, sir.

The clerk asks her if she is married and, if so, to whom. She answers giving the name of her husband, or the respondent in this case. Another question asked is: when were you married? And the answer is given that she was married on December 22, 1957 at the Mount Royal hotel, Montreal. Questions are then asked about the religions of herself and her husband. She is shown a document and identifies it as her marriage certificate. She testifies that the statements contained therein are true and correct, and the marriage certificate is then filed and marked exhibit No. 1. The photograph of her husband which she has also identified is marked as exhibit No. 2.

Mr. John J. Urie, who is a lawyer, appeared as counsel for the petitioner and he also proceeded to address some questions to her. There appears to be possibly only a slight degree of conflict between the statements in the petition and the evidence as far as the residence of the respondent is concerned. The relative passage in the evidence is as follows:

By Mr. Urie:

Q. Mrs. Skolnik, would you tell the members of the committee where your husband was born, to your knowledge?
A. My husband was born in Israel, and he came to Montreal at about the age of two.
Q. With his family?
A. Yes, and he has lived there ever since.
By the Chairman (Senator Roebuck):
Q. In Montreal?
A. Yes, sir.
Q. Is he working in Montreal now?
A. No, not at present, sir.
Q. Where is he now?
A. In Brookline, Mass.

By Mr. Urie:

Q. How long has he been there?
A. About eight months, I would say.
Q. Is he employed regularly, to your knowledge?
A. Really, I don't know.
Q. Prior to going there was he employed in Montreal?

A. Yes, sir, he was.
Q. By whom?
A. Well, he had several jobs really. At one time he was a salesman, and then an accountant, and then as a salesman again just before he left.
Q. Have you spoken to him recently?
A. No sir.
Q. Do you know whether he plans to return to Montreal?
A. I really don't know.
Q. Where is his family?
A. His family live in Montreal.

There is additional evidence here which would indicate that the respondent is resident in Brookline, Mass., but it is not clear. I assume he is still a Canadian citizen. Perhaps he is there only temporarily, though the question is not cleared up. Further questions are, however, put on this matter. Senator Roebuck asked:

Q. How do you know he is in Massachusetts?
A. Well. Mr. Gross had found that out.

Then Mr. Urie explains that Mr. Gross is the petitioner's solicitor from Montreal, and that he is in court.

I do not wish to read every word of this evidence, although perhaps I should, because the hon. member for Victoria (B.C.), who is acting as substitute for the hon. member for Halifax, has on previous occasions objected to my reading only parts of the evidence. Not wishing to get into conflict with him again, or run the risk of being accused of selecting only those parts of the evidence which might support a particular view, I think I had better continue to read the whole of the evidence especially in so far as this question of residence is concerned at the time of this statement which, incidentally, was January 28, of this year.

By the Chairman (Senator Roebuck):

Q. And you have not discussed going with him in that eight months?
A. No, I haven't seen or heard from him.
Mr. Urie: Service was actually made in Brookline, Mass.
The Chairman (Senator Roebuck): What does the service say?
The Clerk of the Committee: The respondent was served by Thomas J. Hill, Jr. of the town of Brookline. in the state of Massachusetts, one of the United States of America, and he served the respondent at—in the said town of Brookline, Massachusetts on July 2, 1959.
The Chairman (Senator Roebuck): Is there any statement about his admitting that he is the party involved?
The Clerk of the Committee: Yes, there is, sir. It says, "That the person on whom I effected the said service is the person whose photograph is annexed to this affidavit, exhibit D.
The Chairman (Senator Roebuck): Is that the same as the exhibit that has been filed?
The Clerk of the Committee: It is sir.
It further goes on to say, "and that the person on whom I served the said proceedings admitted to me that he was—and that he was the husband of—", named in the petition.
The Chairman (Senator Roebuck): Proceed, Mr. Urie.

The chairman has ruled that we cannot debate general matters such as the meaning of "domicile". Instead of discussing the domicile of the respondent and being unable to complete the discussion I will content myself by saying there may be a point of conflict in this instance about the domicile of the respondent which the committee of the other place should have cleared up. The husband was served with a notice of this action on July 2, 1959 in the town of Brookline, Massachusetts, which point No. 4 in the petition states is his temporary residence. Point No. 3 of the petition indicates that the petitioner and respondent were domiciled in the province of Quebec at the times relevant to the issue. On page 10 the petitioner testified that her husband had been residing in Brookline for approximately eight months following the signing of the petition.

No children are mentioned in the petition but the subsequent evidence reveals that a child was born of the marriage two months after the signing of the petition. I urge hon. members to study the evidence and reflect on what weight should be attached to this in the disposition of this case.

Mr. Urie and the chairman of the committee inquired about the background of marital discord at some length which doubtless had some bearing on the weight attached to this petition by hon. members of the other place. On page 11 we read:

By Mr. Urie:

Q. How long did you live together at—

He gives the address at which they resided. I continue:

A. Fourteen months, sir.
Q. When did he leave?
A. In March 1959.
Q. At that time you were pregnant?
A. That is correct, sir.
Q. Now, why did you separate in March of 1959?
A. Well, to begin with he was supposed to be going to school to study for his C. A. exams about four nights a week, and it turned out after we had inquired at the school that he had never attended at all, he hadn't even been registered, and when I asked him where he had been those evenings he just shrugged, he didn't give any answer whatsoever; that was the beginning of it really.
Q. The beginning of the difficulties with your husband?
A. That is right.
Q. What caused the separation eventually?
A. Well, later on in February he went to New York for a weekend supposedly on a business trip, and when he returned he told me he had contracted venereal disease, and I had told my obstetrician immediately, because I was pregnant, and all, and he had also told me he had gone to a Dr. Rosenfeldt to be cured, and my obstetrician wanted him to go to another doctor as well to see if he really had been cured, and he went to this Doctor Siminovitch, and he took pills several days; and my doctor got a full report from Dr. Siminovitch about the situation.

By the Chairman (Senator Roebuck):

Q. Your husband told you that?
A. Yes.
Q. That he had gone to the other doctors?
A. Yes, sir.
Q. And that he had to take pills. Did you see him take the pills?
A. Well. I saw the pills in the house, yes sir.
Q. Did your husband say what they were?
A. Yes, he did. He said this Dr. Siminovitch had given them to him and he was supposed to take them.

By Mr. Urie:

Q. How did he come to tell you he had venereal disease?
A. Well, he just came out and said it, but he didn't say the reason he had contracted it, he said it was drinking from somebody else's cup; in other words, he was not telling me that he had committed adultery; and then when I had gone to my obstetrician he told me that he didn't contact—

"Contact" should probably be "contract". I continue:

—it through sexual intercourse, not through drinking from anybody's cup; and then I said to my husband that that was—

I insert the word "what". I continue:

—the doctor had said, and my husband then admitted that it was true.

That sentence as it appears in the evidence containing two negative references is probably a typographical error. Some doctors argue that it is possible in rare cases to contract venereal disease without sexual intercourse having taken place but the courts have generally disregarded that evidence. The sentence probably should read:

—and then when I had gone to my obstetrician he told me that he could contract it through sexual intercourse but not likely through drinking from anybody's cup—

In any event, she carries on:

And then, I said to my husband that that was the doctor had said, and my husband then admitted that it was true.

By the Chairman (Senator Roebuck):

Q. What was true?
A. That he had committed adultery, and he even boasted about it, and all that.

By Mr. Urie:

Q. As a result of this information you separated immediately, did you?
A. Well, we separated as to bed and room. He slept on the couch in the living room, but he stayed for about another three weeks during which he was out just about every evening, coming home four in the morning; and then later on, about three weeks after this, he went away for a whole week end and saying he had gone skiing and when he returned he called me from his mother's home and by that time I felt really that this was enough, so I asked my father if he would tell my husband to please leave the apartment and take his clothes and go, which my father did, and my husband took his clothes and left.
Q. During that three week period did you have any sexual relations with your husband?
A. No, not at all, we barely spoke to each other.
Q. Have you had any relations with him since that time?

A. No, sir, I have not.
Q. So it is fair to say that since the time you discovered he had venereal disease and since his admission that he committed adultery, you have had no relations with him whatsoever?
A. That is correct, sir.

By the Chairman (Senator Roebuck):

Q. Can you give us about the date of your last relations with your husband?
A. Oh, it was I would say the end of January or just before he went away.
Q. January of what year?
A. 1959, it was around the 27th of January, I would say.
Q. But can you say you have had no relations since the end of January?
A. That is correct, sir.

Then they go into some additional comments about support and other things. I will indicate at this point, Mr. Chairman, that there are two investigators, Mr. Etheridge and Mr. Brault, who appear and give evidence as to certain circumstances and situations. The petitioner's father also appears and gives evidence as to the things which he has knowledge of although from my reading of it the father's evidence is not corroborative. In any event I wonder whether it is necessary to have other evidence in view of the evidence which I have just read about adultery, the eventual admission of adultery having been committed while the respondent was in New York, about his having venereal disease, about his having gone on his own admission to one doctor and subsequently to another doctor, and that he was treated with pills for venereal disease.

I wonder whether this would not be sufficient evidence in a court of law, if one were permitted by the rules to delve into the work of Power on the question of divorce, and whether one could not come to the conclusion that it is sufficient evidence in itself for one to proceed to grant divorce on the grounds of adultery or that it is sufficient evidence of adultery to proceed to grant the divorce without having the matter thoroughly or fully gone into by the two private detectives who give evidence later on in respect of certain things that indicate that the respondent and the woman were in a hotel room.

You know the trend of the evidence, Mr. Chairman, as well as I do. You know that they went in and discovered the people in various stages of undress, clothing around, bed all mussed up and undergarments around the room, and things of that nature, which would lead one to believe that adultery may have taken place or might have taken place after they left. It would seem to me, if our consideration of these matters was influenced, as it might well be—I think it should be—by the circumstances, perhaps we could very well proceed to agree on the basis of the evidence that I have related to the committee so far that adultery had taken place by admission, even though it is sort of hearsay admission by the petitioner; that the respondent admitted to her that he had committed adultery, that he had contracted venereal disease and this is the only way that one does contract it, through intercourse; that this should be sufficient.

I do not wish to argue the point as to how courts of law have looked upon this question in the past, whether a court of law would say this is sufficient evidence or not, whether it would want additional evidence in the form of corroboration of the actual circumstance itself. But perhaps we may be able to develop that point a little bit further after a while.

Some questions are asked about condonation by and collusion between the petitioner and the respondent. These questions are asked by Mr. Urie. He also asks about support and contribution to the care and maintenance of the child, also about proceeding in the courts of Quebec or in another province. With respect to the question of collusion he asks:

Q. Do you know anything from personal knowledge as to the adultery which is alleged in the petition?
A. No, sir.
Q. Have you entered into any agreement with your husband whereby he would provide the evidence upon which this petition could be brought?
A. No, sir.
Q. Have you stood by wilfully and permitted him to commit adultery?
A. No.

I do not know whether that is the usual phrase that is used but in any event it seems strange to ask a woman if she permitted someone to commit adultery. It seems to me if you are going to commit adultery you do not ask permission. I continue:

Q. In order to bring this action?
A. No.

By the Chairman (Senator Roebuck):

Q. Or have you connived at it in any way?
A. No, sir.

By Mr. Urie:

Q. Have you forgiven your husband for the act of adultery that you learned of?
A. No.

Mr. Chairman, on her evidence we can come to the conclusion that she did not forgive him in any way for the adultery which he admitted. She did not forgive him for the act of adultery which took place while he was in New York or on his way there. She did not forgive him for the fact that he contracted venereal disease as a result of this act of adultery. Senator Golding then asks:

Q. You would not take him back now?
A. No, sir, I would not.

The Deputy Chairman: I must advise the hon. member that his time has expired.

Mr. Peters: No doubt the committee read with interest the recent article appearing in *Maclean's* magazine which would affect this case, I would imagine. I say that prior to application for divorce being made all other measures by way of remedy should be taken. I am quite sure that is true in this case. It would appear to me from reading the evidence, and I am sure it is evident to all other hon. members, that the surprising feature in this case is what we find on page 15 of the evidence. Mr. Steine appeared as a witness on behalf of the petitioner and having been duly sworn gave his testimony. Mr. Steine is not a detective or a lawyer but the father of the young lady petitioning for a divorce. The clerk of the committee asked these questions:

Q. What is your name?
A. Mitchell Steine.
Q. What is your age?
A. Fifty nine.
Q. Where do you live?
A. Montreal.
Q. What is your occupation?
A. Chartered accountant.

Then Mr. Steine was asked the following questions by Mr. Urie:

Q. Mr. Steine, you are Mrs. Skolnik's father?
A. Yes, I am.
Q. You then know Laurence Skolnik. I understand that he was at one time employed by you?
A. That is correct.
Q. Do you know anything about what led up to the separation of your daughter and Mr. Skolnik?
A. Yes, it was his misbehaviour.

Then the chairman of the committee, Senator Roebuck, asked these questions:

Q. How do you know that? Did you have discussions with him personally?
A. Not on that point. I knew that through my daughter's complaints to me about it and his lack of denial.
Q. Were the complaints made in his presence?
A. Yes, in his presence.
Q. What were the complaints?
A. The complaints were that he was out late at night, he had been spending money foolishly and he was unable or would not explain where he spent those nights and with whom he was with —that was the general picture of the development that led up to the separation.

I think this is in keeping, Mr. Chairman, with what we have read with interest about the attitude of those of the Jewish faith toward divorce. I think this evidence is as significant as any in the cases we have dealt with. The complaints mentioned here are actually the grounds on which the divorce is being granted and the reason that the charge of adultery is involved at all is simply that such a charge is required by law in order to grant a divorce. But the complaints are as stated, that he was out late at night, had been spending money foolishly and was unable or would not explain where he spent these nights and whom he was with. That was the general picture of the developments that led up to the separation.

It should also be pointed out that it is surprising that information was forthcoming about venereal disease because it seems to me that the matter was handled very loosely. If a person has venereal disease, which is a communicable disease, usually the doctor will isolate the person for at least a limited length of time. It is not normal to be handed a handful of pills and to be allowed to carry on in the same manner as before because of the fear of contaminating a large number of people. It would seem surprising to me that he is reputed to have visited two or three doctors and that in these circumstances each one of them let him go home. It is even more surprising when one reads the evidence on page 11 where these questions are asked by Mr. Urie:

Q. What caused the separation eventually?
A. Well, later on in February he went to New York for a week end supposedly on a business trip, and when he returned he told me he had contracted venereal disease and I had told my obstetrician immediately, because I was pregnant and all, and he had also told me he had gone to a Dr. Rosenfeldt to be cured, and my obstetrician wanted him to go to another doctor as well to see if he really had been cured, and he went to this Dr. Siminovitch, and he took pills several days; and my doctor got a full report from Dr. Siminovitch about the situation.

This strikes me as being a very loose way of dealing with venereal disease. I am sure every hon. member who was in the services knows of people—

The Deputy Chairman: Order. I do not think this committee is concerned with the medical advice the hon. member is giving. I will have to ask him to come back to Bill No. SD-51.

Mr. Peters: Mr. Chairman, it would seem to me that this is pertinent to the discussion. All I want to do is to indicate that it may or may not have been a fact that venereal disease was present. If it had been really a case of venereal disease I would have thought that at least one of these doctors would have suggested that the pills be administered in hospital.

The Deputy Chairman: Order. There is nothing in the bill relating to the medical condition of the person in question. The bill relates strictly to adultery. I have been very lenient with the hon. member in allowing him to make his point but I now ask him not to refer to this matter again.

Mr. Peters: I was only attempting to indicate that this seems to have been something that was thrown in rather than really being an addition to the discussion. I should like to

point out that from reading the evidence it would appear to me that the young lady in question is very fortunate that she has a father who is as indulgent and gullible as her father appears to be. With respect to the evidence given as to the arrangements that appear to have been made leading up to the adultery charge, I can see in them the fond hand of the father. They only took place after the young lady had forced her husband to leave. I would suggest that we find in this case corroboration of what has happened in other cases, namely that the adultery charge on this particular day was brought about by arrangement. I should like to refer the committee to page 14 of the evidence and to point out that poetic licence is taken even with the name of the corespondent. The evidence reads:

She gave us her name as Jessie Lucas and her address as 2166 St. Luke Street, Montreal.

I would suggest that the use of this name would indicate that the name was made up at the time and that a particular street name was chosen to suit the name of the person. Therefore, there could be this similarity between Lucas and Luke. I would suggest, Mr. Chairman, because of the religious background of these people and the indication that they gave consideration to this divorce, as well as the fact that the father has agreed he is willing to support the wife and child, there is no reason why we should not grant this particular divorce.

Mr. Howard: If I may have just a moment or two, Mr. Chairman, I do not intend to go into the details of the evidence given by the investigators because I think it is entirely superfluous in view of the other evidence that has been given. However, I should like to point out one bit of evidence given by Mr. Etheridge. It is found on page 14 when he says, in answer to questions by Mr. Urie about something they had discovered:

We went to the door at about 11.20, to the door of—

Then he gives the room number.

—knocked on the door several times and finally Mr.—

He gives the name of the respondent.

—opened the door, and when he came to the door we identified ourselves and we pushed our way into the room. He was very excited, hostile and threatening us.

The point I want to draw to the attention of the committee is that, again, we have investigators violating the rights of individuals, and breaking the Criminal Code by pushing their way into somebody's room, thus being guilty of the crime of trespass. I merely wanted to draw this to the attention of the committee in the hope that our discussions in this way will have some effect on these investigators in the future in that they may come to the conclusion they should pay attention to what the law says rather than violating the rights of individuals.

[Mr. Peters.]

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read a third time, now?

Some hon. Members: Agreed.

Mr. McPhillips (for Mr. McCleave) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

NATURAL GAS

TABLING OF REPORT APPROVING EXPORT TO NEW YORK STATE

Hon. Gordon Churchill (Minister of Trade and Commerce): May we revert to motions so that I can make an announcement?

Mr. Speaker: Has the minister leave to revert to motions?

Some hon. Members: Agreed.

Mr. Churchill: Mr. Speaker, I wish to table two copies of a report dated May 31 by the national energy board in the matter of an application under the National Energy Board Act of Niagara Gas Transmission Limited. This report deals with the second application of Niagara Gas for a licence to export near Cornwall, Ontario, a small volume of gas to St. Lawrence county of New York state and to build the necessary pipe line facilities to transmit the gas to the international boundary. Its first application was rejected by the national energy board because the board was not satisfied, among other things, that the price to be charged by the applicant for the gas proposed to be exported was just and reasonable in relation to the public interest.

The board heard a further application by Niagara Gas commencing on May 4 at which time new evidence was submitted by the company. This evidence included a new contract between Niagara Gas Transmission Limited and St. Lawrence Gas Company Incorporated, the distributing company in New York state, the effect of which is to raise the border price for Canadian gas so that in any year the full cost of transmitting gas to the point of export will be recovered by Niagara Gas in that year and the full cost of the

original pipe line facilities installed to make the export will be recovered over the period of the export licence. In the second instance, the market area was more closely defined. In this report the board indicates that it is prepared to issue an export licence to Niagara Gas Transmission Limited and recommends that a certificate of public convenience and necessity be issued.

The government concurs with the board's findings on this application, and accordingly will authorize the issuance of the licence and certificates as approved by the board and on the terms set forth in its report.

Mr. Peters: I should like to ask one question. Is this the situation where a pipe line was laid under the St. Lawrence seaway during the construction period of the seaway, for the export of gas?

Mr. Churchill: Yes, arrangements were made at that time so that gas could be moved across the river.

WAR VETERANS ALLOWANCE ACT

AMENDMENTS RESPECTING ABSENTEE PAYMENTS, RESIDENCE QUALIFICATIONS, ETC.

Hon. A. J. Brooks (Minister of Veterans Affairs) moved that the house go into committee to consider the following resolution:

Resolved, that it is expedient to introduce a measure to amend the War Veterans Allowance Act, 1952 to permit payment of war veterans allowance in certain circumstances to veterans, widows or orphans who absent themselves from Canada after the said measure comes into force; to provide saving and transitional provisions to protect and preserve the rights of certain veterans, widows or orphans who are absent from Canada upon the date the said measure comes into force; and to establish a residence qualification for former members of His Majesty's forces or allies who served during world war II similar to that already provided for members of those forces or allies who served during world war I.

Motion agreed to and the house went into committee, Mr. Rea in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Shall the resolution carry?

Mr. Brooks: Mr. Chairman, before the resolution carries I should like to make a short statement with reference to the proposed bill.

The War Veterans Allowance Act has provided for some 30 years financial assistance to many veterans and widows of veterans. The act was designed to alleviate the difficult conditions which many older veterans and their families had to face because of limited income and resources, particularly where their problems were complicated by impaired health or advancing years. The act has been reviewed on a number of occasions and has been amended from time to time to meet changing conditions. At the present time it is providing assistance to some 68,000 veterans and widows.

One of the provisions which has applied since the beginning has been the requirement that a recipient of an allowance must be residing in Canada in order to receive it. Some years ago the principle was modified slightly by permitting recipients to absent themselves for limited periods and receive on their return, provided they were still qualified, the payment of the allowance for their period of absence. This period was increased three years ago to permit an absence of six months after which they would be eligible to receive the allowance upon their return to Canada.

It has become apparent that for various reasons a number of veterans and widows who have qualified for the allowance while in Canada would find it desirable to reside outside this country for longer periods. The persons of whom I am thinking are those who have fully qualified for an allowance and have been recipients for some time in this country. Instances have come to our attention where some recipients' health would be improved if they were able to take up residence in climates less severe than that which they are likely to encounter in this country. There are other instances where families have dispersed and the call of family ties would encourage them to live with or near members of the family who are unable to return or move to Canada.

The government has been concerned about these veterans and widows and has felt that this was an opportune time in which to take steps to permit the continuance of an allowance to a recipient who would find it desirable to absent himself from Canada for an indefinite period. A similar principle is being considered with relation to the Old Age Security Act where the government has also felt some freedom should be granted to pensioners under that act to change their residence to other countries.

The proposed amendments contained in the bill are not intended to reflect the results of a thorough review of this legislation such as the one we made in 1957, but to incorporate at this time the principle of flexibility of residence which I have explained. One of the conditions involved is that in order to be eligible for an allowance outside of this country a recipient must have resided continuously in Canada for 12 months before

he absents himself. I think this is a desirable provision because it establishes the principle that veterans and widows who wish to have the allowance paid to them outside of Canada must in effect be bona fide Canadian residents and thus be persons for whom the allowance was originally intended.

It has not been possible to estimate how many veterans or widows who are recipients under the act will absent themselves from Canada and will continue to receive the allowance. There will be administrative problems introduced by the payment of allowances outside this country because, as I mentioned, the allowance is payable only where recipients are in necessitous circumstances. The war veterans allowance board are working out the necessary administrative arrangements to provide that the principle of the means test will be adequately maintained. Each recipient who absents himself will be acquainted with all matters relating to the continuance of payment outside of Canada so that there will be no misapprehension on the part of any recipient.

There is one other amendment to the act which is proposed by the bill. When the act was last amended during the 1957-58 session one of the amendments reduced from 20 years to 10 years the Canadian residence requirement for eligibility for an allowance for a former member of His Majesty's forces or the forces of His Majesty's allies or associated powers where the qualifying service was in any war concluded on or before August 31, 1921. It now seems desirable to establish a corresponding Canadian residence qualification for former members of His Majesty's forces or allies who served during world war II, thus allowing treatment of these veterans on a basis similar to that now available to the veterans of His Majesty's forces or allies who served in earlier wars. The number of veterans who will qualify for an allowance on this basis is not great, but I think hon. members will agree that they should not be deprived of an eligibility which their comrades of earlier wars now have.

Mr. Chairman, as has become customary with all bills respecting amendments to the acts contained in the veterans charter, I anticipate that this bill following second reading will be referred to the standing committee on veterans affairs where it will be thoroughly reviewed by the committee members who are well acquainted with the present provisions of the act. It will afford an opportunity for a detailed explanation of the clauses of this bill and I am sure that it will be thoroughly studied.

Mr. Carter: Mr. Chairman, I should like to indicate our support for this resolution, which I am sure will also have the support of every hon. member of the committee. This resolution envisages an amendment to the War Veterans Allowance Act which in many respects is the counterpart of an amendment which was passed recently with respect to the Old Age Security Act. Just as the amendment to the Old Age Security Act will enable old age pensioners to receive their pensions when living abroad so will the amendment implied in this resolution permit war veterans under certain conditions to receive their war veterans allowance while living outside of Canada. This is a principle which every hon. member of the committee will heartily endorse.

We recognize that this measure is necessary because many veterans, as the minister has just pointed out, for health reasons alone are compelled to live outside of Canada in a climate more conducive to a state of good health. There are also many lonely veterans who would like to spend months and perhaps even years visiting their various relatives who live in different parts of the world. Formerly they could do this only by forfeiting their war veterans allowance or by returning after a certain period in order to reinstate themselves. Therefore the amendment involved in this resolution will be of great convenience to these people.

While this legislation envisaged in this resolution does parallel the amendment to the Old Age Security Act, it is different in one very important respect. The old age pensioner receives his pension as a matter of right. The veteran receives his war veterans allowance not as a matter of right but in conformity with a means test. This, as the minister has said, will involve some administrative problems and for that reason we welcome his statement that the legislation will be referred to the standing committee on veterans affairs. There it could be thoroughly reviewed, and every aspect of this application could be thoroughly discussed. No doubt there would be some very useful suggestions, as always, from this committee for the improvement of the original bill. At this stage we are concerned only with the principle of the resolution, and I give it my hearty support.

Mr. Herridge: I have sat here all day anticipating this resolution coming before the committee. Then I was unavoidably detained and had to rush down on being telephoned by the hon. member for Vancouver East. Anyway, as usual, I have arrived.

I must say I rise to support the principle and purpose of this legislation on behalf of this group. This bill will not affect a large number of veterans or their dependents, but it will mean a great deal to those it does

affect. I first urged on behalf of this group an amendment to the War Veterans Allowance Act along these lines eight years ago, and I will tell hon. members the reason why. The need for such an amendment was brought to my attention owing to the sad case of a personal friend of mine who was a veteran living on the Arrow lakes. This veteran was a first world war veteran who had lost his son in the second world war. After he became about 65 years of age he found it necessary to apply for a war veterans allowance, and he received it after some three or four years while a resident there. He suffered from a very severe non-pensionable bronchial condition, some obscure lung trouble. He went to Shaughnessy on a number of occasions but nothing could be done for him.

Finally the Department of Veterans Affairs said the only way to prolong his life and obtain a greater measure of comfort or, perhaps I should say, a greater absence of misery, was to live at a high altitude in a dry climate. Consequently this poor veteran sold his small property for $700 and went to live in a little village near Mexico City. He soon exhausted his $700. Of course, having left Canada, he was not entitled at that time to continue to receive the war veterans allowance. After his small capital was exhausted he was maintained by a few friends who used to send him a few dollars a month where he lived in this little village near Mexico City.

Then one day I got a letter from some Mexican peasants, written by a person who could write and understand English. Apparently they had found some of my letters in his belongings. They informed me that they had picked him up; that they had found his body on the street. They knew where he lived. They had known him for the year or two during which he lived there. They had gone to his quarters and found these letters which I and other persons had written. In the letter they said, we liked this nice old veteran very much and he was a good friend of ours and we did all we could to take care of him because we knew he was very poor. But we are very poor people, too. In order to see that he got a decent funeral we collected about 700 pesos and buried him with due respect and reverence but, being poor people, we cannot afford to lose the 700 pesos. Is there any way in which you can see we get our money back?

I took the matter up with the Department of Veterans Affairs, with Mr. G. H. Parliament, the director general of welfare services and with the Department of External Affairs. The Department of External Affairs, through its officers in Mexico, arranged to repay the money to the villagers in question and thank them on behalf of the government of Canada for having taken care of this ailing veteran.

This incident brought to my attention the need for some provision whereby a veteran in receipt of war veterans allowance should be allowed to continue to receive this benefit during his absence from Canada. I believed in the principle that a person who had served this country in war was entitled to spend his declining years wherever he wished and to receive the allowance. However, I found I could not make much headway in that direction so, at the time, while supporting the principle of this bill and the purpose of this resolution, I urged the government to consider permitting a veteran to receive the allowance if he was forced to live outside Canada, particularly on the recommendation of doctors of the Department of Veterans Affairs.

I brought the matter to the attention of the house over a period of years—in 1952, 1953, 1954, 1955 and so on. Then, because of the circumstances of this particular veteran whose story became known to the veterans throughout Kootenay West, a number of legion branches—and I have a lot of very active legion branches in my constituency—took the matter up and passed a resolution urging that Canadian veterans residing outside Canada and otherwise qualified should be granted war veterans allowance. Then the matter was taken up at a dominion conference, and as a result of the expression of an opinion of the dominion conference the dominion representatives of the Legion made representations to the government and to the veterans affairs committee, first in 1953.

I just want to read the resolution they brought before the committee in 1953 in this connection. The recommendation was that Canadian veterans resident outside Canada and otherwise qualified for a grant of war veterans allowance should be entitled to receive it. The comment in connection with this resolution was as follows:

> Many veterans of the Canadian forces have found it necessary for health reasons, possibly due to pensionable disability, to reside outside Canada. We feel that these veterans should not be denied the right to war veterans allowances. The numbers are small and the cost would not be great if this recommendation were acted upon.

The matter was discussed by the committee and, as the hon. minister will recall, it had sympathetic support of the committee. The Legion presented a similar resolution the following year and, later, the minister of that day, Mr. Lapointe, said he would study the question. He did so, and later reported during a discussion in this house of the estimates of his department that while

he considered there was considerable merit in the suggestion he could not recommend it because of administrative difficulties. There were serious problems, he said, in that connection, and on that ground he could not recommend the suggestion to the government.

I as one of the members of this group am very pleased that this resolution has come before us, and I am sure this applies to all members of the House of Commons. As I said in my opening remarks, this will not affect a large number of veterans. It will not be a matter of great expense to the treasury of Canada. But it will be of great advantage to those whom it does affect and it will be bringing much happiness to a certain number of veterans and their dependents. It will do this for three reasons: first, and most essential, when a veteran finds it necessary to live in some other climate on account of his health. Second, owing to family circumstances—and I am sure we all know these circumstances—he finds it to his advantage and perhaps to his relatives' advantage to live in another country with them. Third, in some cases he wishes to continue a youthful friendship in his declining years and live with friends or a former associate or comrade. For these three reasons in particular there is no doubt that the majority of veterans who wish to receive this allowance in a country other than Canada will be pleased indeed.

We are glad the bill is to be sent to the standing committee on veterans' affairs where I know it will not be criticized but where an opportunity will be provided to question the minister and his officials about procedures and administrative problems. We will then be able to advise our veteran constituents how to proceed. Some are drawing old age security and the war veterans' allowance and there will be many matters to be discussed in committee so we can fully inform our veteran constituents how to take the fullest advantage of the old age security provisions and the War Veterans Allowance Act.

Mr. Forgie: Mr. Chairman, I wish to join with those who have already spoken—

The Chairman: Order. I am sorry to interrupt the hon. member but I have already recognized the hon. member for Melville.

Mr. Ormiston: Mr. Chairman, as a government backbencher, not to be confused with the members of the official opposition to whom I sit so closely—

Mr. Batten: Move back one seat.

Mr. Hellyer: Better back away from us.

Mr. Ormiston: —as a member of the veterans affairs committee and as a veteran from the province of Saskatchewan I should like to commend the minister for the amendment which is being provided to the War Veterans Allowance Act. I believe that the province of Saskatchewan has more veterans than any other province with the exception of Ontario. Naturally we are very interested in legislation which will be of beneficial effect not only to the veterans of Saskatchewan but of Canada in general.

I am particularly interested in this resolution because several cases have been brought to my attention of veterans, mainly of British extraction, who would like to spend a little more time with their relatives and friends in the British isles. This measure will make it possible for them to enjoy the benefits of their allowance in circumstances which may be more comfortable or more healthful than those in which they live at present.

In closing I again express my sincere appreciation of the fact that the minister has seen fit to bring this amendment before the committee.

Mr. Forgie: Mr. Chairman, along with the others who have spoken I wish to express my wholehearted approval of the principle of this resolution. I am looking forward to seeing the amendments discussed thoroughly in the committee on veterans affairs. I am not directing my remarks at the minister when I say that I am a little disappointed that in this resolution there is no reference made to an amendment to the Pension Act.

Mr. Winch: Mr. Chairman, I am certain there will be no objection to this resolution on the part of any hon. member. I wanted to speak because I welcome the opportunity of being able to commend the government instead of always having to condemn it.

Mr. Hellyer: It may not be much but it is something.

Mr. Winch: When I have an opportunity to commend the government I am always glad to do so. At long last I will be able to answer all the letters I have received asking when this principle was going to be applied. Perhaps the minister would be interested in knowing that not one veteran in my constituency who wrote desires to see this amendment brought in because he wants to leave Canada but because he must do so on medical advice. This indicates that our veterans are as loyal to Canada in time of peace as they are in time of war.

(Translation):

Mr. Fortin: Mr. Chairman, may I add a few words in French on behalf of French-speaking veterans in my province to congratulate the Minister of Veterans Affairs (Mr. Brooks) for the special consideration he always gives to every request of theirs.

It seems that as memories of the last war get hazier in our minds there is a tendency to forget the men who, at the time of trial, did not hesitate to sacrifice their lives, or often part of their skills, according to the various degrees of disability from which they suffered when they returned to Canada. I think that members from every province in this house should have an opportunity once more to devote their undivided attention to the problems of the war veteran and let him know that, after all those years, the memory of his sacrifice is still with us.

On behalf of all my former buddies and every French-speaking veteran in Quebec, I take this opportunity to tender thanks and appreciation to the minister.

(Text):

Mr. Batten: Mr. Chairman, I do not intend to make extended remarks at this time. I rise to indicate my support for this amendment to the War Veterans Allowance Act. Certainly any other amendment would not be consistent with the views of this parliament regarding old age security.

There are, of course, a number of reasons why some veterans would like to live outside Canada and be able to carry their allowance with them. In my province—and I suspect this is true of other provinces—we have a number of older veterans whose children either married south of the border or in England. Some of these men would like to live with their children and this amendment will make it possible for them to take their allowance with them. It is for these two reasons that I support this resolution and commend the minister for bringing it before the committee at this time.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

The Chairman: Shall I report the resolution?

Some hon. Members: Agreed.

Mr. Henderson: Mr. Chairman—

The Chairman: Does the committee agree to give unanimous consent to permit the hon. member for Cariboo to speak?

Some hon. Members: Agreed.

Mr. Henderson: Mr. Chairman, I should like to say a few words in support of this amendment. I am an old soldier. Last night I spoke as an old farmer but this evening I speak as an old soldier. I was president of the first great war veterans association in the Peace river country. That part of the country was settled largely by returned men. Today a large number of them have passed away and those who remain are getting along in years as I am. I am 69.

I am pleased that this amendment is being brought forward. I want the old soldiers to get the best of everything. Some of them may want to live in the south or abroad. I personally want to live in Canada. I am satisfied to live here. I wish to thank the committee for its courtesy in permitting me to speak.

Mr. Brunsden: Mr. Chairman, I am intrigued by the hon. member for Cariboo describing his area as Canada. May I say a word for a different class of people. I have two or three members of the armed forces in my constituency. Some of them served in the first C.M.R.'s of which the Minister of National Defence knows something. One of them in particular is suffering from cancer. He is ill; he is put to a great deal of expense and two or three months ago his wife became eligible for the old age pension. He writes me that on account of her old age pension his veterans pension is reduced. I submit to you, sir, that this is an injustice. She should enjoy her pension without any restrictive effect on his war veterans allowance. I think this is something the minister might well inquire into and perhaps bring about some amelioration.

Resolution reported and concurred in.

Mr. Brooks thereupon moved for leave to introduce Bill No. C-71, to amend the War Veterans Allowance Act, 1952.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the bill be read a second time?

Some hon. Members: Now.

Mr. Brooks moved the second reading of the bill.

Motion agreed to and bill read the second time and referred to the standing committee on veterans affairs.

Mr. Churchill: Mr. Speaker, at this stage, owing to the unavoidable delay imposed on the Minister of Transport, I wonder whether I could move the next item of business, which is the second reading of Bill No. S-2, to amend the Canada-Netherlands Income Tax Agreement Act, 1957.

Income Tax

CANADA-NETHERLANDS INCOME TAX AGREEMENT ACT

AMENDMENT TO APPROVE SUPPLEMENTARY CONVENTION

Hon. Gordon Churchill (for the Minister of Finance) moved the second reading of Bill No. S-2, to amend the Canada-Netherlands Income Tax Agreement Act, 1957.

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, the purpose of this bill is to implement the supplementary income tax convention between Canada and the Netherlands which was signed on October 28, 1959. The supplementary convention is set forth in a schedule to the bill. This supplementary convention modifies the original convention which was signed on April 2, 1957, and approved by parliament shortly thereafter. It is chapter 16 of the statutes of 1957, assented to on April 12, 1957.

This bill and the supplementary convention are in the same form as others which have been before the house, and I would refer the house particularly to the act to amend the Canada-United States Tax Convention Act, which was approved by the house in 1956.

Hon. members, of course, are well aware of the general pattern of Canada's income tax conventions with other countries. Consideration was given to the most recent of them—the Canada-Finland income tax convention—in this house only last June. It is unnecessary therefore for me to describe the terms of the original convention with the Netherlands, and it will be sufficient to give an account of the ways in which the supplementary convention modifies the original convention, which is chapter 16 of the statutes of 1957.

The proposed supplementary convention is intended to settle certain problems encountered by both countries under the terms of the original convention. There are, in fact, three changes.

The first change which hon. members will find in article 1 of paragraph (a) merely provides for the deletion from the original convention of the special provisions which permitted the speedy termination of two articles. These articles provided for a maximum rate of withholding tax on dividends and interest having their sources in one country and going to the residents of the other country. These special termination provisions were in addition to the normal provisions for terminating the convention and were inserted to enable either country to increase its withholding tax on six months' notice. In the absence of such special provisions it would have been necessary to rely on the normal termination provisions but they could not be invoked before June 30, 1959. Now that this date of June 30 is past, there is no need to retain the special termination provision.

The second change, which is contained in article 1, paragraph (b) of the supplementary convention, concerns the rate of withholding tax applicable to dividends from a subsidiary company resident in one country to its parent company resident in the other. Under the Income Tax Act the rate on such dividends is 5 per cent if the subsidiary is wholly owned by the parent company. In many of our income tax conventions this requirement for ownership is reduced from 100 per cent to a majority of the shares; that is, the requirement is for control rather than for complete ownership. In our convention with the United Kingdom the 100 per cent ownership provision was retained but the rate of tax was reduced to zero. In the original convention with the Netherlands both the ownership requirement and the rate of tax were reduced, the ownership requirement to a majority of the shares and the rate to zero. Thus the provision in the original convention is less restrictive than in any other of the conventions into which Canada has entered.

This provision has been changed in the supplementary convention so that the requirement for ownership is 100 per cent rather than a majority of the shares and the rate of tax is 2½ per cent rather than zero. This change will make it possible to collect more revenue in withholding taxes and it will bring the convention with the Netherlands into closer harmony with our other income tax conventions.

There is however—and I must point this out to the house—one exception to this principle. If the subsidiary company merely receives income in the form of dividends and interest from companies abroad and receives no income from its own country of residence the rate of tax on dividends sent abroad to its parent company will continue to be nil. But to take advantage of this concession such a company will henceforth have to be 100 per cent owned rather than merely controlled by the parent company as at present. This means that where this form of investment income is merely funnelled through a holding company in Canada and does not have its source here it will continue to be free of tax.

Then, there is a third change which is contained in article II and the effect is to prevent withholding tax from being levied on alimony from a resident of one country to a resident of the other. Alimony will thus be treated in the same way as pensions. The practical effect is that Canada will give up its

withholding tax on alimony going to residents of the Netherlands but will not have to give a credit in respect of Netherlands tax against its income tax on a Canadian resident who receives alimony from the Netherlands, as it was formerly bound to do.

Mr. Benidickson: Is that typical of the other agreements?

Mr. Bell (Carleton): That is not typical of the others. This is a change from other agreements.

Mr. Benidickson: The first time, may I ask?

Mr. Bell (Carleton): Yes, I believe this is the first time. I might point out, that all the changes described are reciprocal.

Article III of the supplementary convention contains, as the house will see, the usual provisions for ratification and coming into force which will take place only after parliament has given its approval to the bill. By its terms the supplementary convention will take effect from the first of January, 1960. It has been indicated that the supplementary convention has already received the approval of the Queen of the Netherlands and the exchange of instruments of ratification between the two countries now awaits only the enactment of the bill by the House of Commons and royal assent.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I was very pleased to see this bill presented to the house on behalf of the Minister of Finance (Mr. Fleming) by his parliamentary secretary. I was wondering why this type of legislation, which basically involves tax collection, was sponsored by the Department of Finance. I find that in recent years under the previous administration legislation of this kind was usually presented by the minister of national revenue. I know that the Minister of National Revenue (Mr. Nowlan) has been otherwise engaged.

Mr. Bell (Carleton): And happily so.

Mr. Benidickson: And successfully so, but in 1951, 1952, 1955, and on two occasions in 1957, bills of a similar nature were presented to the house and on each occasion they were sponsored by the then minister of national revenue. I wonder whether there is any particular reason for this departure in practice. I was glad to have the assurance of the parliamentary secretary that in form and intent these arrangements substantially follow the desirable practice of agreements between countries on a reciprocal basis to avoid double taxation. Perhaps in reply the parliamentary secretary might indicate those countries with which Canada now has tax agreements on this basis.

In view of the fact that we have recently amended and revised the law with respect to one element of taxation—I refer to the Estate Tax Act which became effective at the beginning of 1959—I was also wondering whether there is some reciprocity with respect to estate taxation as a result of this supplementary agreement. As to estate taxation generally, having regard to our new law, with how many countries have we either reached an agreement for reciprocity or are engaged in discussions at the moment with the thought that past tax agreements should be altered because of the fact that we have a new Estate Tax Act?

Mr. Speaker: Is the house ready for the question? If the parliamentary secretary wishes to reply I must inform the house that if the parliamentary secretary speaks now he will close the debate.

Mr. Bell (Carleton): Mr. Speaker, the hon. member for Kenora-Rainy River (Mr. Benidickson) has raised three points. The most interesting one relates to the number of countries with which Canada has income tax conventions at the present time. I believe the list is as follows: the United Kingdom, the Netherlands, United States, Sweden, Ireland, Denmark, Belgium, Finland, New Zealand, France, Germany, Union of South Africa and Australia.

The hon. member then mentioned a matter which is perhaps outside the ambit of this bill. He asked in the first instance whether the bill and the convention which it implements related to estate taxation. They do not. He also asked whether negotiations were under way in respect of the Estate Tax Act, and I think he is aware that such negotiations of a significant character are under way with the United States of America.

The hon. member commenced by suggesting that in the more recent years of the former administration bills of this kind had been sponsored by the minister of national revenue. I have to confess that I was not aware of that fact, if such it be. I can only say to him that there is nothing sinister involved in this regard. The Minister of National Revenue (Mr. Nowlan) has been engaged in activities in connection with which the majority of the members of the house would wish, I think, to extend compliments to him. I am sure that in the circumstances nothing should be attributed to the fact that this bill is sponsored by the Minister of Finance (Mr. Fleming).

Mr. Benidickson: It does not suggest a trend that the Minister of Finance is going to be minister of everything?

Mr. Bell (Carleton): Mr. Speaker, while the Minister of Finance has, of course, demonstrated with the greatest of clarity to all members of the house his terrific competence, nevertheless what the hon. member suggests is not accurate. The minister is a team player in all respects.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Flynn in the chair.

Clause 1 agreed to.

On clause 2—*Coming into force.*

Mr. Benidickson: With respect to clause 2, the parliamentary secretary indicated that legislatively the other partner to the agreement had progressed even in advance of what we are doing here tonight. Therefore I would anticipate that there would be no unusual delay in proclamation.

Mr. Bell (Carleton): No, it has already had the approval of Her Majesty the Queen of the Netherlands, and it is only a matter of the exchange of the instruments of ratification after royal assent has been given.

Clause agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Benidickson: Next sitting.

Mr. Speaker: Next sitting of the house.

CANADIAN NATIONAL RAILWAYS

PROVISIONS FOR CONSTRUCTION OF TERMINAL FACILITIES AT TORONTO

Hon. George H. Hees (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 Canadian National Railway Company may construct and complete certain railway terminal facilities at and in the vicinity of the city of Toronto; that the Minister of Finance may, with the approval of the governor in council, make temporary loans out of the consolidated revenue fund not exceeding one hundred million dollars to enable the work of construction and completion of the Toronto project to proceed forthwith; that the governor in council may guarantee the principal and interest of the securities that the company may issue under the provisions of the said measure; to provide also that the proceeds of any sale, pledge or disposition of the securities shall be deposited to the credit of the Minister of Finance in trust for the company in one or more banks designated by him, and released from time to time to the company by the said minister to be applied to expenditures made or indebtedness incurred in connection with the said project; and to provide further that the estimate for the amount to be expended be $87,000,000.00 and the company shall not in performing the work of construction and completion exceed such estimate by more than 15 per cent.

Motion agreed to and the house went into committee, Mr. Flynn in the chair.

Mr. Hees: Mr. Chairman, this resolution seeks to authorize the Canadian National Railways to construct certain railway terminal facilities in the metropolitan Toronto area. I should like to say a few words about the nature of the improvements and expansion which are proposed, the estimates of cost, and the economic and operating features of the plan.

It is a fundamental principle of this government that in order to enable it to operate efficiently and economically, and thereby offer the greatest values to the public, the established capital needs of the publicly-owned system must be met. This government has encouraged, and proposes to give continued encouragement to capital projects that are submitted to it by the railway management that can be recognized as self-liquidating. The project which is the subject matter of the resolution is in that category.

I should like the committee to view it in relation to what is being done across the country to adjust the railway plant and services to the needs of today, raise the level of productivity and achieve economies. In this regard strong emphasis has been placed in recent years on the need to provide better yard facilities for handling trains in terminals. Yard extensions and improvements have just been or are being completed at Halifax, North Sydney, St. John's, Corner Brook, Campbellton, Joffre, Garneau, Sarnia, Edmonton and Port Mann. The plan calls for linking all these modernized facilities with electronically controlled hump yards at the four major centres of Moncton, Montreal, Toronto and Winnipeg. The work is advancing rapidly at Montreal, Moncton and Winnipeg, but the full benefits of the capital expenditures in these yards will not be realized until similar facilities have been completed at Toronto. The yard proposed for Toronto is thus an essential element of this important chain.

As hon. members will remember, Canadian National Railways was created after world war I to operate as one system various railways previously operated directly by the government, as well as those of the privately owned Grand Trunk and Canadian Northern systems. These railways, in many instances had constructed their own separate terminal facilities at various locations. The integration of these facilities has been an exhaustive

process, and is not yet finished. For instance, in the city of Toronto at the present time, no fewer than eight freight yards are operated by the Canadian National. Due to their limited capacity and the lack of available property around it is not possible to expand any one of these yards to provide the central classification facilities that are needed for the marshalling of trains in an efficient and economical manner. However, even if the proposed facilities could be located on the site of an existing yard or on existing lines there are other features that would have to be considered.

Canadian National Railways operate passenger trains, with mail and express cars, and freight trains over six separate lines or subdivisions radiating from the Toronto union station area, from the Bathurst street yard in the west to the Don yard in the east. Three lines diverge from the west end and two others from the east. The sixth has its junction about five miles east of the Don, and its traffic is also fed into the heart of the congested area. Railway traffic is thus concentrated between Bathurst street and the Don river and, to add to the congestion, there are continual cross-over movements necessitated by the fact that there are numerous facilities such as express and freight stations, team tracks, and yard and harbour facilities located on either side of the main line. The congestion causes delays and costly handling of traffic.

The management of Canadian National believes that in these circumstances the only practical, long term solution that will obviate delays and costly handling, provide more efficient service, and reduce operating costs, is to construct a modern, electronically controlled hump yard and related facilities in an entirely new location outside of the congested area. The site which has been selected is in Vaughan township, and access lines to this yard, as planned, will run from Pickering in the east and through Malton in the west, circumventing the congested Don-Bathurst street area. This is considered to be the most feasible location from the combined standpoints of engineering, operation, land use and zoning, cost and return on investment.

The gross capital requirement for this project is estimated at $37 million. The annual savings in operating expenses will be substantial, not to mention several non-assessable benefits which are expected to accrue from the construction. For one thing, the reduction in the handling time of cars will substantially improve freight deliveries. Shippers will thereby be better served and more apt to increase their railway shipments. Second, the considerable reduction in terminal delays will increase the availability and use of road power. The fact that over-all fewer units of road power have to be used has a certain value which cannot be accurately computed, but is nevertheless appreciable, particularly during times of shortage of motive power. A third and very important benefit lies in the opening up of large new industrial areas which can be economically served by the proposed lines.

This program of construction is not designed simply to resolve local problems. It is, as I have indicated at the outset, part of a long range plan for greater efficiency and more economical operation of the railway system as a whole. Improved operating efficiency is the key to lower transportation charges, and for this reason the proposed measure is of direct interest to the public and to shippers all over Canada who have shouldered in the past the burden of freight rate increases occasioned by rising operation costs. As such it will benefit farmers in western Canada equally as well as shippers in the maritimes and in the central provinces. For all these considerations, I earnestly hope that the resolution will commend itself to all hon. members.

I might say, Mr. Chairman, that after second reading of this bill I shall move that it be referred to the standing committee on railways, canals and telegraph lines for examination by that committee.

Mr. Hellyer: This evening, Mr. Chairman, I have had the advantage of being largely in agreement with respect to most of the legislation which has been before us. With this resolution, too, we of the Liberal party are in accord. The terminal, of which this legislation will permit the construction, is designed primarily, as the minister has told us, to serve the Toronto metropolitan area. As all hon. members know, this is a great industrial city which has experienced a rapid, almost explosive, growth, particularly in the last decade since the second world war. The very nature of this rapid growth has increased the problems to which the minister has referred in connection with industrial development, which had been concentrated more or less in the central areas of the city and which has now been moved, enlarged and augmented by new industry situated in the periphery of the metropolitan area from Etobicoke on the west through to North York, Scarborough and Pickering on the east. This has considerably increased the problem of handling traffic to service all of this new major and supplementary industry.

We welcome this new development which the minister has referred to this evening. It is a development of considerable magnitude,

which is witnessed by the size of the expenditure. Certainly any project involving an expenditure of the order of $100 million is one of considerable importance. It should permit the handling of freight at the north end of the city and enable this to be done more expeditiously and at the same time we hope more economically, especially to these new suburban industries I have mentioned.

The minister has said that the project will be self-liquidating. We hope this is so and also that it will bring considerable savings as he has indicated and thus reduce the cost of doing business.

There are other advantages proposed in this project. We hear a great deal about planning of our metropolitan areas these days and we have a problem in planning in Toronto, as have other great metropolitan cities. We have heard some complaint about the location of this proposed marshalling yard, but I am not qualified to speak on that. I presume the factors were carefully and sympathetically considered by the C.N.R. and by the board of transport commissioners.

This project should release the older tracks for use by commuter trains. As the minister has said, these tracks enter the downtown area of Toronto from six different avenues and they funnel into a central yard at Union station, and for years we have been talking about the possibility of an adequate commuter service to serve the downtown areas. I know that many Torontonians have looked with some envy at the excellent service enjoyed by the people of Montreal, and we hope that with this development it will be possible to use some of these facilities for a new and improved commuter service for the downtown areas.

As a matter of fact it would be possible to have quite a comprehensive rapid transit system without the expenditure of further large additional sums of money. I hope that the Toronto metro planning authorities will co-operate with the C.N.R. in trying to work out just such a comprehensive system of rapid transit, and that the two of them will work together with the Toronto transportation commission in order to avoid a duplication and to make sure there is the maximum service provided at the minimum cost.

It appears, Mr. Chairman, that this project will be beneficial to the majority of the residents of the metropolitan Toronto area, and under these circumstances I will reserve any further comment at this time until the bill is available and we have seen it.

Mr. Fisher: Mr. Chairman, the outstanding thing about the project outlined in the measure in front of us has been the resistance offered by certain ratepayers in the region affected by the new line. Before I review some of the points that certain groups have made I should like to indicate that I think this is a worth-while bill and I hope that the relative quiet in the last four or five months as far as this resistance is concerned indicates that everyone is happier than they were.

The main complaints of the people in the Thornhill-Markham-Vaughan areas hinge on the choice of the route of this particular Canadian National Railways by-pass line and the location of the terminal. The objections were quite extensive, but most quite naturally stemmed from self-interest and a feeling that the line and the yards were going to affect property values and the selling values of the homes and the land in the area. The complaints centred around the fact that the C.N.R. had gone ahead with the planning project as a result of a report prepared for them by De Leuw-Cather and Company and this De Leuw-Cather report was kept secret so that those who were protesting the specific location of this route were unable to determine what alternative routes there were.

Some of these ratepayer groups, such as the Thornhill-Markham-Vaughan group, tried to work out with what resources they had alternative routes. One of the points made by ratepayer associations in the Thornhill area was that the project director refused to join the ratepayers association in a study of the socio-economic effects on homes and property in the district. When asked to reveal details of the carefully concealed De Leuw-Cather report on which the project plans were supposedly based the C.N.R. refused to table it even for study by the member for the area, the hon. member for York Centre. When asked what damage would be done by a heavy traffic double track slashing through the heart of an established residential community with fine homes and schools, the C.N.R. admitted that they did not know and yet displayed no interest in helping to determine this as part of the costs involved in their route consideration.

The Toronto metro area has received very recently what you might call its "Gordon report", and it is a projection of metro's role into the year 1980. It is very interesting, if you look at the synopsis presented in either the Toronto *Telegram* or *Star,* to discover the projection for the year 1980. It is projected that the area where the yard will be will be one of the fastest growing areas in terms of population. The whole shift in population according to this metro study is northwards,

and nowhere will there be a greater concentration of population in the next 20 years than in the particular region where this yard is going to go.

The other interesting point is that the Canadian Pacific railway have plans for a marshalling yard of not quite comparable size, but of considerable size nevertheless, in the east towards Agincourt. Again if we look at the metro projection map, that is another area which will be much more heavily populated. When you look at the analysis presented in the Toronto *Star* of the transportation future up to the 1980's in Toronto you get this quotation which appears on page 35 of the *Star* for January 31, 1960:

> The new C.N.R. "Toronto terminal" to be linked to its main lines by new access lines, will be one of the largest and most modern railroad terminals. The company's growing piggyback operations will be handled here.
>
> When the new yards are completed, freight will be distributed from the outside into the city instead of from the inside out as at present. As a result, railroad facilities in the inner area will be relieved.
>
> These facilities will still be needed to serve the industrial and commercial areas in the central part of the city and will continue to carry express, mail and interurban passengers. The report predicts this business will decrease.

The relevance of this projected yard and the tremendous growth of Toronto in the particular region around Thornhill underlines the possible conflicts and the need to be absolutely sure about the location and the plans for its extension in the future. I would hope that when we do have the bill before the committee we will have an opportunity of going into the alternative routes and be told just what consideration Canadian National Railways has in the mind of its management so far as its relationships in this area with residential development are concerned. I know the argument was put to the committee by the president of the railways that most of the objections seemed to have been circumvented and that everyone seemed to be happy with the plan. I acknowledge that I have not received any recent spate of letters on the matter such as I did last fall. But when you have a potential growth in the Toronto area and something of this size is placed into what is considered to be the largest potential there is, I think we should know what the plans of the metro planning authority will be in the matter and also where the people of Vaughan and Markham townships stand in relation to the dividing off of the area adjacent to the yards along that line for different types of industry.

It is apparent from the projection that it is expected that industry will follow the movement northward and link up with this particular railway line. It seems to me that we could have here the makings of a really heavy congestion and also a serious conflict between the residents, the C.N.R. and potential industrial users unless we are absolutely sure that there are plans to circumvent or head off such a conflict. With the experience in our minds of the very sharp conflicts that can develop between the ratepayers in an area and Canadian National Railways, I think we should, in the committee stage, go into this matter very thoroughly. I hope the minister will agree to help persuade the committee to let us have some spokesmen from the municipality before the committee so that we can be absolutely sure that there will not be in a few years any repercussions that are going to cause diffculty for our government owned railway.

Mr. Benidickson: I have no fundamental quarrel with the proposal of the Minister of Transport, nor do I claim any particular information about his proposal. I rather resent the fact that we are not better informed on a matter of this kind. It surprised me very much to find that on May 16 the Minister of Transport presented a resolution to parliament involving a C.N.R. capital expenditure amounting to $100 million, ten days after a sessional committee of this house had examined officials of the C.N.R. with respect to their operating budget and their capital intentions with regard to expenditure for 1960. The most casual reference at that time, when we all had the opportunity to inform ourselves better, was made to anything which related to the Toronto terminal. The only thing that I can find in reviewing the evidence which was given to representatives of this house in the committee took up two or three lines of the committee *Hansard* when it was suggested that terminals of a very modern nature—I think they were called hump yards —were to be established across the country at considerable expense.

Mr. Fisher: If I may interrupt for a moment, if the hon. member were to turn to page 212 of the proceedings he would find that there is perhaps a page about the Toronto yard. I agree it does not give much information, but the president did answer several questions on the subject as reported on page 212.

Mr. Benidickson: I am very glad to hear that comment. I had checked and found that on page 61 a reference was made to Montreal; that it would be largely completed in 1960, that Moncton would be completed in the fall of 1960, and Winnipeg early in 1962. There was only a passing reference from a

capital point of view to Toronto on that page. It was mentioned that $6.6 million would be required.

The other thing that puzzled me—and I wonder if the hon. member for Port Arthur has considered this—is that I do not recall with respect to terminal requirements at Montreal, Moncton and Winnipeg that this house was presented with anything in the nature of legislation similar to the present legislation. I realize it may involve something tantamount to the type of legislation we have had where branch lines are required. I take it we have here a combination of the expenditures for the equivalent of branch lines, plus the equivalent of what hitherto has been provided for in other types of capital expenditure legislation—the normal type for terminal investment such as has been projected already at Moncton, Montreal and Winnipeg.

I wonder if the minister, when he is explaining his resolution, would indicate to us just why the Montreal, Moncton and Winnipeg expenditures which, I think, are, in part, of a similar nature, have not required a separate bill or a separate resolution. I should also be glad if he could indicate to us what portion of the $100 million that is referred to in this resolution represents such a thing as an access roadbed or road line that might be the equivalent of a branch line, and how much of the $100 million is expenditure of the nature that has been provided at Montreal, Moncton, Winnipeg and other terminals as a terminal expenditure in the annual capital requirements budget of the C.N.R.

Mr. McGee: Rising to speak on this resolution after a rash of opposition speakers, I should like to review the background of the situation in view of the fact that the projected route which manages by one means or another to avoid any heavily populated districts as it proceeds over the north end of Toronto has landed right in the middle of one of the most beautiful areas in metropolitan Toronto.

The citizens in that area, as the hon. member for Port Arthur indicated, were disturbed and upset by the prospect of the double line —the major freight traffic line—particularly so because most of the persons resident in that area, especially in recent years, had retreated from the downtown and congested areas of Toronto with the accompanying noise and other disturbances that accompany city life and found, in more recent times, on reaching the quiet area of north Yonge street, where, somehow, were contained all the advantages of both city and country living, that the noise and disturbance had followed them out there and were presenting a most disquieting prospect for the future of that community.

Certainly throughout the discussion which took place with respect to this matter no one took serious issue with the need for such a line; the legitimate necessity for it and the fundamental economic basis on which it was projected. The hon. member for Trinity mentioned some clash but I believe that no one quarrels with the purpose. Some relief will be provided through the projected by-pass with the spokes of the wheel, as it were, leading down to the centre of the city. The feasibility of the project for commuter traffic is demonstrated.

I do not think that anyone is too optimistic, and certainly I am not, about the ultimate prospects of commuter traffic but at least the possibility of relief exists in a more practical way. Clearly the townships in the areas adjacent to the proposed line will benefit. The establishment of the line will be welcome news to the township councils with respect to the effect this will have on balancing the municipal versus commercial tax revenues. Against that must be weighed the cost of this in terms of upset and disturbance.

I should like to commend a number of people in this connection and perhaps especially the people in the area for their vigour in pressing for action. At an earlier stage in my remarks I was going to describe Thornhill as a sleepy village but I feel that the minister, the president of the C.N.R. and anyone else who has had anything to do with the matter would probably select "sleepy" as the least appropriate word to describe the residents of the area. This group of ratepayers were most vocal in their protestations. Some were engaged in engineering and other fields. They were able to recruit from among their numbers members who were capable of making an intelligent judgment on the basis of the information that was made available to them concerning the availability of alternative proposals.

The attitude of the minister throughout has been very commendable in terms of his cooperation with me during the many interviews and discussions which we had concerning the problem. I wish I could say the same for the relationship that existed between the management of the C.N.R. and the various ratepayers' groups involved. Perhaps enough has been said about that in other quarters and what I have said will suffice. I should like the minister and the committee to know, however, that the residents of the area still feel that the explanations offered

to them in reply to the various questions they asked concerning the alternative proposals left something to be desired. This group recognized throughout the need and the essential soundness of the proposition but felt that in the handling of it and in the discussions between the crown corporation and the various citizens' groups much was left to be desired.

As far as the De Leuw-Cather report is concerned, we are concerned with a similar report of a committee of this house at this time. I am impressed by the argument that interdepartmental reports of crown corporations and government departments should not be tabled, published or become public and this particularly in a case where the C.N.R. is competing, after a fashion, with the C.P.R. However, the fact remains that in this case the information to which the ratepayers in the area felt they were entitled has not been presented to them in the form in which they required. I assume that when this matter goes to the committee some effort will be made by the minister to clear the air concerning that issue and to satisfy the residents of the area and particularly those of the village of Thornhill about the basic soundness and merits of the proposed by-pass route.

That is all I wish to say at this point. I look forward to hearing from the minister and perhaps he will comment on some of the suggestions I have made. I also look forward to further clarification when the bill reaches the committee stage.

Mr. Benidickson: Mr. Chairman, I am not a member of the committee that will consider this measure although I was a member of the committee that had the opportunity of examining the senior officials of the Canadian National Railways.

I know from talking outside this chamber with a number of backbench members of the Conservative party that they, too, are rather concerned about the depressing financial results of the C.N.R. I am sure that they and all other hon. members who will serve on the committee when it examines the bill that will follow this resolution will look into some of these matters very carefully.

Following the kind suggestion of the hon. member for Port Arthur I have re-read page 212 of the proceedings of the former committee which examined C.N.R. matters. I find there the phrase to which the discussion referred and the one that was always used was "Toronto by-pass matter". That is the thing the committee that will examine this new measure should examine into.

I repeat my point that we have always considered that terminal facilities would be part of the capital budget of the Canadian National Railways presented annually. Indeed, if we look at the resolution we are now considering we find that it refers to a provision for certain railway terminal facilities. My concern is this. After we had in another committee what we considered to be a proper examination of the capital expenditures of the C.N.R. as required for 1960, including expenditures relating to terminal facilities and other matters, why do we have a separate piece of legislation at this time in this respect?

Having regard to some of the discussions which we hear less formally than we usually hear in this chamber, I wonder if the members of the committee that will consider this new measure will examine carefully whether or not the competitive road is embarking on capital expenditures such as are contemplated in this resolution. Both are experiencing today rather adverse revenue records. I mentioned this morning in connection with other legislation that the operating experience of the C.N.R. for the first four months of 1960 as compared with 1959 reveal a decrease in revenue of $7.6 million. The Canadian Pacific railway—and I have the figure for three months rather than four months of 1960—reports an increase. Nobody can raise the question of dividends from subsidiaries because the revenue refers to rail income only. Their revenue was up half a million dollars. These matters should be looked at carefully when we consider further expenditures of this kind, such as were referred to this morning by the hon. member for Port Arthur when he said that these millions are being provided in a capital way but are they increasing the net revenue of our crown company?

I find also that the proposed capital expenditures involve $100 million in addition to the $197 million that we were discussing this morning, or $297 million for Canadian National Railways. I find that the Canadian Pacific proposals for 1960 are $83 million. This includes $25 million for their air subsidiary. The other figures for the C.N.R. are quite separate and apart from the Trans-Canada Air Lines, although the capital stock of the Trans-Canada Air Lines is, I believe, owned entirely by Canadian National Railways. I think the comparison is very striking. I am not a member of this committee but I hope it will examine very carefully some of the comparisons, such as those suggested by other hon. members earlier today.

As I say, some of those comparisons are striking and, as the hon. member for Port Arthur suggested, we have tried this for 10 years; a billion dollars has been provided in extra capital to the crown company. Are

we satisfied that these things are providing efficient operation to the extent that eventually the net income will improve sufficiently to justify the expenditures? Or, as the hon. member for Port Arthur suggested, do we as responsible representatives of the shareholders say that even if they do not provide the net revenue improvement, they are improvements to the country as a whole and are justified? But I am very disappointed to think that there would be any casualness on the part of the executive when certain paring down of demands occur at the executive level of the C.N.R., as was given in evidence with respect to their basic capital requirements, going from $272 million down to $197 million in various stages, but when it is presented to the government there is no change.

I hope that in this item as well as in the other the committee will examine the role of the executive as to prior inquiry before the legislation comes to us as a justification for capital expenditures of the magnitude that have been presented to us today.

Mr. Creaghan: Mr. Chairman, I feel it is important that this committee and the country appreciate the interest that this government has shown in the C.N.R. in recent months and during the past couple of years. Admittedly a hump yard is well under way just outside the city of Moncton. This has been a great improvement to the area and it is going to make it possible for the C.N.R. to remain competitive.

As long as the government of Canada owns the C.N.R., in my opinion there is a strong obligation on the government to give it the tools to remain competitive with other modes of transport and with the Canadian Pacific Railway. Consequently, I feel all members will agree with the principle of this legislation.

I hope the Minister of Transport will be invited to Moncton by the railway management when the hump yard in Moncton is officially opened sometime later this year. If he is invited I feel quite confident that he will attend. At the same time I suggest it would be very educational for the members from the Toronto area to accompany the minister because there they will see in operation what Toronto expects to have probably in three years time.

There has been some criticism tonight of the fact that the sessional committee did not study this particular piece of legislation. I have been on that committee for the past three years, and its major function has been to go over the policies and the previous year's operation of the C.N.R. In my opinion the standing committee on railways, canals and telegraph lines is far more competent to study this legislation. In the first place, the sessional committee is composed of only 16 members while the standing committee consists of 60 members representing each and every major railway and shipping area of the country. Consequently it will be possible, with management before this large standing committee, for the public and the members of parliament to understand absolutely, without any doubt, the policy of the railway management. Therefore I do not believe there is any strength or justice to the criticism that this subject should have been before the sessional committee.

Another point which I notice and which I am very pleased to see is the fact that this committee will now study the scheme before the operation goes into effect. It seems to me quite apparent that the government, or the management of the railway, has recognized the importance of letting the municipalities become familiar with the future trend and plans of this large government corporation. Too often in the past major railway decisions were made before local and municipal governments and the public of the area were notified. In this instance the people in the Toronto area will be invited to the committee and the committee will have firsthand knowledge of their thinking in so far as the proposed hump yard project is concerned.

In conclusion, Mr. Chairman, I want to re-emphasize the fact that I am glad to see that management is going to hear and listen to the feeling of the public and I am also glad to witness that notwithstanding a series of annual deficits this government still has confidence in the railway and is still prepared to finance its operations.

Mr. Macdonnell: Mr. Chairman, I am rising for the purpose of asking a question. I am a little confused as to the course of this debate for the following reason. As I understand it, we have here a resolution which is to authorize the provision of certain moneys for Canadian National Railways and the method of doing so is set out. The money is being provided for the purpose of providing certain railway works in the Toronto area. My understanding is that the railway itself, through its own officers, will negotiate with the parties in interest, the municipalities and metropolitan Toronto, if it comes in. I do not know whether it does come or not. There is also the board of transport commissioners. I ask this question. After this money is voted the matter does not concern us further, as I understand. Is it not left to those other responsible bodies to negotiate with the railway and to reach a conclusion?

I find in this debate that evidently the ideas I have in mind are very different from those of several other people who have spoken, and

they may be right. I am asking this question with this thought in mind. As I understand it, they are proposing that the committee on railways, canals and telegraph lines should really go into the whole of this scheme and should make up their minds whether the Canadian National Railways is wise in entering into this scheme.

According to what I understand from some hon. members, they are going to go into all kinds of questions, questions of policy, questions of detail. It is a matter I want to raise now while we are passing this resolution so that there will not be any misunderstanding afterward. It would be very easy for the minister to explain that I am wrong and that nothing will happen, that I have simply taken up four or five minutes of the time of the committee to raise that point.

Although I was not on the committee I remember reading that a question arose as to the functions of the executive officers of the railway and apparently there was some difference of opinion as to just where those functions ended and the committee stepped in and more or less guided them. I think that is an important question. I think it is a matter of some importance to clear our minds now because if I am right then the house in voting money should not expect to be put in the position of being the real managers of the railway. We have the power to authorize the managers of the railway to go ahead and through ordinary channels enter into consultations with the municipalities concerned, metro Toronto if that is necessary and anyone else, and also the board of transport commissioners in order to settle the matter.

Mr. Fisher: Mr. Chairman, perhaps the remarks that I made led to the doubt in the previous speaker's mind, and I should like to refer him to page 212 of the proceedings of the committee on railways, air lines and shipping. Actually I imagine it will be the standing committee on railways, canals and telegraph lines that will be looking at the bill. On page 212 it will be found that I said:

> The argument was put to me by ratepayers' groups and individual ratepayers that in discussion with the Canadian National officials they used extracts from this report—

That is the De Leuw-Cather report.

> —to support their argument and yet they, in terms of rebuttal, did not have the total picture.
>
> Mr. Gordon: You mean naming the De Leuw-Cather report?
>
> Mr. Fisher: Yes.
>
> Mr. Gordon: They should not do that. I am not aware that they have. I think perhaps some of your informants may have assumed they did. But certainly any expression of opinion relating to the line or what should be done is entirely a Canadian National responsibility and we should be examined on it on the basis of our justifying that whole project on our own.
>
> Mr. Fisher: And we will have that opportunity then? I would like to ask the minister, will we have that opportunity this session?
>
> Mr. Hees: Yes, I intend to introduce a bill this session and I intend to refer it to the committee on railways, canals and telegraph lines.

In other words, it is my assumption from this that we are going to have the opportunity in committee to examine Canadian National Railways as to its reasons for selecting this site and as to its relationships with ratepayer groups and with the communities in order to be absolutely sure that the whole plan is acceptable not only to Canadian National Railways and not only in terms of the cost but to the people in the particular region.

Resolution reported and concurred in.

Mr. Hees thereupon moved for leave to introduce Bill No. C-72, respecting the construction by the Canadian National Railway Company of certain terminal facilities at and in the vicinity of the city of Toronto.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall this bill be read the second time? Next sitting of the house?

Some hon. Members: Now.

Mr. Deputy Speaker: By leave, now?

Some hon. Members: Agreed.

Mr. Hees moved the second reading of the bill.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

WAYS AND MEANS

The house in committee of ways and means, Mr. Flynn in the chair.

EXCISE TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Excise Tax Act to provide:

1. That the sales tax on electric heating equipment, designed for use on a system using 230 volts or greater, for permanent installation as part of an electric heating system for buildings, be repealed, but not including electric wiring or other materials leading to or connecting such equipment to the electric power supply.

2. That ducts for warm air systems for heating buildings, but not including materials used in their manufacture, be exempt from sales tax.

3. That the sales tax on laryngeal speaking aids and parts therefor, including batteries specifically designed for use therewith, be repealed.

4. That the sales tax on prepared surgical sutures be repealed.

5. That the sales tax on goods enumerated in Customs Tariff Item 692a, that is, "articles presented from abroad in recognition of the saving of human life", be repealed.

6. That the sales tax on perlite be repealed.

7. That portrait photographs of individuals be exempt from sales tax.

8. That the exemption from sales tax for,
"perforated bituminized fibre pipe for drainage purposes not exceeding four inches in inside diameter"
be changed to read
"perforated pipe for drainage purposes not exceeding four inches in inside diameter".

9. That the exemption from sales tax for feeds and feed supplements be extended to include feed supplements for addition to feeds for fur-bearing animals, and materials to be used exclusively in the manufacture thereof.

10. That hardware for doors and sash not specifically mentioned in Schedule III be excluded from the sales tax exemption for articles and materials to be used in the manufacture of building materials.

11. That the exemption from sales tax for,
"septic tanks"
be changed to read,
"septic tanks and grease traps therefor"

12. That the exemption from sales tax for,
"Usual coverings to be used exclusively for covering goods not subject to the consumption or sales tax and materials to be used exclusively in the manufacture of such coverings"
be changed to read,
"Usual coverings or containers to be used exclusively for covering or containing goods not subject to the consumption or sales tax and to be delivered and sold with the goods, and materials to be used exclusively in the manufacture of such coverings or containers".

13. That the exemption from sales tax for
"Materials for use only in the construction, equipment and repair of ships over ten tons net register tonnage"
be changed to read,
"Materials for use only in the equipment and repair of ships over ten tons net register tonnage".

14. That the security required under the Excise Tax Act include bonds or other securities of or guaranteed by the government of Canada.

15. That any enactment founded upon this resolution be deemed to have come into force on the 1st day of April 1960.

The Chairman: I think it has been agreed that we will consider this resolution paragraph by paragraph, and if I remember correctly paragraph 1 had been agreed to.

Mr. Bell (Carleton): No, Mr. Chairman.

On paragraph 1.

Mr. Bell (Carleton): Mr. Chairman, on Friday, May 6, the Minister of Finance gave notice of an amendment to paragraph 1, and I would ask the Minister of Transport if he would be good enough to move the amendment.

Mr. Hees: Yes, Mr. Chairman. I move:

That paragraph 1 of the Excise Tax Act resolution be amended by deleting the expression "230 volts" and substituting therefor the expression "200 volts".

[Mr. Hees.]

Mr. Benidickson: I take it that this amendment is a relieving amendment?

Mr. Bell (Carleton): Yes, it is.

Mr. Benidickson: The benefit will be available to a wider number of users of electric heating equipment than was the case under the amendment as proposed on budget night. Has the parliamentary secretary any indication as to the proportion of the trade that is affected by the proposed amendment?

Mr. Bell (Carleton): No, it would be very difficult to give an actual estimate. The situation is that when representations were made before the budget was introduced urging exemption for permanently installed electrical heating equipment reference was made in all cases to equipment designed to use 230 or 240 volts. After the budget was presented it was discovered that in some areas of Canada service was provided by systems using 208 volts and consequently this amendment was brought in with the intention that it would provide for equipment in these areas.

Amendment agreed to.

Paragraph as amended agreed to.

On paragraph 2.

Mr. Benidickson: With respect to paragraph 2 I think a great number of members of parliament have received letters of inquiry from people engaged in the occupation of tinsmithing because prior to the budget proposals the government by order in council had made certain changes in a long prevailing practice under the Excise Tax Act. My understanding is that by circular ET-1, which is an order in council type of thing, the government in July of 1959 by executive decree deleted the trade of tinsmith from certain advantages of exemption with respect to the imposition of the 11 per cent sales tax. In consequence there has been a fair amount of havoc and consternation. I hope that the parliamentary secretary will indicate that this proposal in the resolution before us, as I hope is the case, is designed to bring tinsmiths back to their former status whereby they had for a long time enjoyed exemption from sales tax with respect to their work.

Mr. Bell (Carleton): I think, Mr. Chairman, it could be said that this particular paragraph merely provides for the continuation of an existing exemption which has been welcomed on behalf of the industry by the Canadian warm air heating and air conditioning contractors association, who have extended to the Minister of Finance their warm and sincere thanks for this particular exemption. I would not wish the hon. gentleman to think that this restores in full the position

as it was prior to the particular direction of the Minister of National Revenue to which he referred, but it does in fact restore it in relation to ducts for warm air systems for the heating of buildings, and so on that basis has been warmly welcomed.

Mr. Hellyer: I wonder if the parliamentary secretary could tell us why the change was made by the government, and what effect this has on the cost of small houses?

Mr. Bell (Carleton): I think, Mr. Chairman, the effect of this amendment on the cost of small houses is to restore it exactly to the position in which it was. I do not think there is any change whatever.

Mr. Benidickson: Am I right in my understanding that because of this executive decree by order in council in July of 1959 the tinsmiths' work with respect to ducts for warm air systems became subject, in the meantime, to a tax of 11 per cent? The hon. member for Trinity would have more knowledge of this than I have, but the correspondence I have received appears to indicate that in the meantime there has probably been $30 or $40 extra added to the cost of homes. Would the parliamentary secretary know from the representations that have doubtless been made to him, as they have been made to me and others from the sheet metal-workers international association and the tinsmiths, as to whether or not that is a reasonable conclusion?

Mr. Bell (Carleton): I would not be able to say, Mr. Chairman, as to whether that particular figure which the hon. gentleman states would be accurate. It is true that last July the Minister of National Revenue announced his intention of removing tinsmiths from the class of small manufacturers, except for those who met the general definition of a small manufacturer, which would be those whose actual volume was less than $3,000 worth of taxable goods sold exclusively to users.

In order to retain the exemption for one of the most important products of tinsmiths it is proposed by this amendment that ducts for warm air heating systems for heating buildings be the subject of specific exemption. They are listed in schedule 3 of the Excise Tax Act. This will cover as well stovepipes and all the ducts used in a heating system. I think the committee would be interested in the fact that under date of April 7 the general manager of the Canadian warm air heating and air conditioning contractors wrote the Minister of Finance, and I quote:

> —may we convey our sincere thanks and appreciation for the recent exemption given to our industry re: ducts—warm air heating systems.
>
> This exemption is further proof that our government is doing its share to decrease the cost of new house construction to the Canadian consumer.
>
> Your sympathetic understanding as to the many problems that would have been created by the enactment of circular ET-1 has been noted from coast to coast in Canada.

Mr. Benidickson: I am sure that this is an improvement upon the decision that was taken, as I say, by the executive by order in council a year ago, which was quite arbitrary and a great shock to the trade. But am I not right in thinking that there remains the substantial change, that is, the name of tinsmith is no longer to remain as a part of the regulations and not one of those trades named in section 3 of the regulations, subsection (b), describing a manufacturer? In consequence I imagine that a house builder, from the time of this edict last summer, who needed eavestroughing or air conditioning or other tinsmith work in connection with the construction of a house, would have had to pay an 11 per cent tax which they did not have to pay until this administration came into office.

Mr. Bell (Carleton): As the hon. gentleman is well aware a change in the regulations does not change what has been the practice of not imposing a sales tax on sheet metal-work done on the construction site, whether it be for flashings or roof work or for whatever else it may be.

Mr. Benidickson: May I draw the attention of the parliamentary secretary to the reference to $3,000 in the regulation? I take it that the amount of $3,000 is not set by this committee, but is set by the executive to whom parliament has given the power to decide upon the merits. I do not know when this $3,000 was set as the limit of the output of a small manufacturer.

Mr. Bell (Carleton): It is hallowed by tradition, I think.

Mr. Benidickson: I think, then, we should think about this hallowing, perhaps, and I wonder what consideration is being given to the fact that manufacturers' costs have increased substantially, I imagine, from the time this $3,000 limit was established in the regulations. If the executive has the power to set the $3,000 limit, it has the power to increase the limit. I wonder if consideration could be given to this, having regard to the increased cost of production of all things, even those things that are included here. It may have been something that the previous administration could have considered for many years, as I do not know how long this has been hallowed, but I think it deserves consideration because $3,000 no longer describes the output of a manufacturer. He could not live on the profit from a $3,000 output.

Mr. Bell (Carleton): I have no doubt the figure was before my hon. friend when he was in the role which I now occupy—

Mr. Benidickson: I do not recall it being before me.

Mr. Bell (Carleton): —as it has been before me from time to time. I can only assure my hon. friend these matters are under constant review.

Mr. Regier: I should like to add my voice to the objection raised by the hon. member for Kenora-Rainy River because I too have had representations from tinsmiths who have regretted the fact they are no longer eligible to be classed as manufacturers and to have their production exempted from sales tax.

However, I should like to raise another matter here, and that is the discrimination against wholesalers. This amendment refers to manufacturers, and while manufacturers are able to sell their wares to consumers, they are obligated to collect this sales tax only on the materials used in their manufacture if the product ends up in the hands of the wholesaler. He then has to pay this sales tax on the whole unit. If he resells he is under a severe handicap as opposed to the manufacturer who, in the case of this particular product, often has direct deals. I should like to move, therefore:

That the resolution be amended by eliminating therefrom the words, "but not including materials used in their manufacture."

This, I feel, would place the wholesaler on the same level as the manufacturer now is.

The Chairman: Shall I put the amendment?

Mr. Bell (Carleton): I was going to raise a point of order.

Some hon. Members: Ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, perhaps before you leave the chair the house leader would indicate what is to be expected for tomorrow.

Mr. Churchill: Mr. Speaker, for tomorrow there will be the third reading of Bill No. S-2, an act to amend the Canada-Netherlands Income Tax Agreement Act; then second reading of the bill with regard to the international development association, of which the resolution was passed today. Then I would like to carry on with the budget resolutions, but at four o'clock, due to the required absence of the Minister of Finance, if we are not finished with the budget resolutions I would like to adjourn that debate and commence with the estimates of the Department of Citizenship and Immigration and carry on with those estimates on Thursday, if necessary. That will be followed on Thursday by the estimates of the post office, and then for Friday we would commence with the estimates of the Department of Transport, followed by mines and technical surveys and fisheries, and fit in post office if that is not completed on the Thursday. It is a slight change in the order but the departments are the same which I named last week.

Mr. Pickersgill: I wonder if the house leader will consider adhering to the statement he made earlier and start with the estimates of the Department of Citizenship and Immigration on Thursday morning? And if any estimates are taken tomorrow, could we take the Department of Transport estimates, because it would be much more convenient to us on this side to start with a new department on a new day.

Mr. Churchill: That is quite agreeable to me, if it suits the minister. Then transport estimates tomorrow at four o'clock.

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

HOUSE OF COMMONS

Wednesday, June 8, 1960

The house met at 11 a.m.

SUPPLEMENTARY ESTIMATES (2), 1960-61

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1961, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

STARRED QUESTIONS

CHLORATHIOZIDE DRUG PURCHASES

Question No. 165—**Mr. Howard:**

1. Since January 1, 1958, has any medical doctor attached to, or working under the jurisdiction of, any department of government made a special request that the Department of Veterans Affairs purchase a pharmaceutical known as chlorathiozide from Merck Sharpe and Dohme?
2. If so, what is (a) the name of each such doctor; (b) the reasons for each such request; (c) the date upon which each such request was made; (d) the amounts for each such pharmaceutical purchased upon such request?

Hon. A. J. Brooks (for the Minister of National Health and Welfare): The department is collecting the information for this question. Would the hon. member let it stand for the present.

Mr. Speaker: Stand.

Question stands.

PURCHASES OF PLAYS BY C.B.C.

Question No. 169—**Mr. Pigeon:**

1. How many plays (texts and copyrights) have been bought each year by the Canadian Broadcasting Corporation since the French network was set up?
2. How many of these texts bought by the said corporation have been used each year?
3. What has been, for the same period, the total amount paid each year for the texts actually used?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): There is considerable detail in the reply to this question. It has been collected but has not yet been transmitted to the head office of the Canadian Broadcasting Corporation, so I am not able to make a reply today.

Mr. Speaker: Stand.

Question stands.

FLUORIDATION—EFFECT ON DENTAL DECAY

Question No. 172—**Mr. Carter:**

1. Has the Department of National Health and Welfare carried out any study of the effects of the fluoridation of water on dental decay?
2. If so, has the department at any time, as a result of this study or for any other reason, endorsed the fluoridation of water supplies?
3. Has the Department of National Health and Welfare, at any time, given counsel or expressed any official opinion with respect to the fluoridation of water supplies?

Hon. A. J. Brooks (for the Minister of National Health and Welfare): The answer to part 1 of this question is that the Department of National Health and Welfare, working in co-operation with the Ontario department of health and with the local health authorities of Brant county, Lambton health unit (Sarnia), and the municipality of Stratford, has conducted a study during the past 14 years of the general effects of water fluoridation.

The answer to part 2 is that the Department of National Health and Welfare has limited its work on fluoridation to research and to official statistical reports of the findings. It has made no official recommendations for or against the adoption of this measure.

The answer to part 3 is that the department has not given any counsel or expressed any official opinion with respect to fluoridation. However, the department has made public the fact that its studies indicate that fluoridation reduces the incidence of tooth decay by about two thirds among those brought up from birth on a water supply containing about one part per million of fluoride.

DESERT RIVER WHARF, MANIWAKI, QUE.

Question No. 174—**Mr. Leduc:**

1. What was the cost of the Desert river public wharf built in 1959 in the city of Maniwaki, county of Gatineau?
2. What was the cost of the land on which the public wharf is built?
3. What amount was paid as wages?
4. What amount was paid for construction materials?
5. Who was the superintendent of the work and what salary did he receive?

Hon. D. J. Walker (Minister of Public Works): The answer to part 1 is $4,763.65.

The answer to part 2 is, no cost; this was a province of Quebec water lot.

The answer to part 3 is (a) wages, $1,457.17; (b) rental of equipment, including operators, $1,124.75.

The answer to part 4 is $2,181.73.

The answer to part 5 is that Mr. Albert Chenier, of Maniwaki, was the foreman. On the basis of an hourly rate of $1.75 per hour, he received a total gross pay of $582.12.

BOND ISSUE SALES, SEPTEMBER 1959

Question No. 175—**Mr. McMillan:**

What was the amount of each of the following bond issues sold in September, 1959, (a) 5½ per cent bond issue due October 1, 1962; (b) 5½ per cent bond issue due October 1, 1960; (c) 3 per cent bond issue due May 1, 1961?

Hon. Donald M. Fleming (Minister of Finance): The answer to the question is as follows:

(a) $250,000,000; (b) $135,000,000; (c) $125,000,000.

INSURED HOUSING LOANS BY BANKS, MUNICIPALITIES UNDER 10,000

Question No. 176—**Mr. Benidickson:**

Between January 1, 1960, and April 30, 1960, which chartered banks made insured housing loans to dwellers in municipalities with populations under 10,000?

Hon. D. J. Walker (Minister of Public Works): The Canadian Bank of Commerce; the Imperial Bank of Canada.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL REVENUE PORTS

Question No. 395—**Mr. Fisher:**

1. Has the Department of National Revenue any ports, outports, or preventative stations which are not on or immediate to the international boundary, or on the Pacific or Atlantic oceans?
2. If so, what ports are they?
3. Which of these ports, etc. took in less than $60,000 annual total revenue in each of the last four fiscal years?
4. What was the staff, maintenance and other costs in total of manning these latter ports for the last fiscal year?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, I have the reply to question No. 395, in the name of the hon. member for Port Arthur. Because of the mass of detail I ask that it be made an order for return.

Mr. Speaker: Order for return.

THE MINISTRY—EXECUTIVE OFFICE PERSONNEL

Question No. 405—**Mr. Godin:**

1. In all the offices of ministers of the crown combined, how many positions on (a) June 1, 1957; (b) March 1, 1960, were filled in the job classifications (i) executive assistant; (ii) news or press secretary or public relations officer; (iii) private secretary; (iv) special assistant; (v) associate private secretary; (vi) assistant private secretary?

[Mr. Walker.]

2. For the office of the Minister of Finance, what was the amount of salaries paid in (a) the fiscal year 1956-57; (b) 1959-60, for services to the minister in the job classifications enumerated in paragraph 1?

MOTION FOR PAPERS

WHARF CONSTRUCTION, MALARTIC RIVER, QUE.

Motion No. 83—**Mr. Dumas:**

For a copy of all payrolls showing the names of those employed, the period of employment and the amount paid to each person, in connection with the reconstruction, during 1959, of a wharf located on the west bank of the Malartic river, range 4, in the township of Malartic, Quebec.

Hon. D. J. Walker (Minister of Public Works): Perhaps my hon. friend would be good enough to remove this motion from the order paper pending completion of the investigation by the Royal Canadian Mounted Police, on my assurance that the moment the investigation is over I will notify my hon. friend so that he may return it to the order paper and it will be immediately answered.

Mr. Pickersgill: I think it would be preferable to let the matter stand until the hon. member is here.

Mr. Walker: Oh, I am sorry; I did not know he was not here.

Mr. Speaker: Stand.

Motion stands.

NATIONAL DEFENCE

BOMARC MISSILE—INQUIRY AS TO FIRE AT LAUNCHING SHELTER

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker—

Some hon. Members: Oh, oh.

Some hon. Members: Bomarc.

Mr. Hellyer: —I should like to direct a question to the Minister of National Defence. Does the minister have a report for the house in respect of the Bomarc missile which burned yesterday at McGuire air force base?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, I was advised yesterday afternoon that there had been a fire at a Bomarc launching shelter at McGuire field, which is an operational field, not a testing field. The fire started at 3.15 and was extinguished by 4 o'clock. No Canadian personnel were involved. Some damage was done to the missile.

Mr. Hellyer: I have a short supplementary question, Mr. Speaker. Has the Minister of National Defence any information as to the cause of the fire?

Mr. Pearkes: No, Mr. Speaker, I have no information as to the cause of the fire.

BOMARC MISSILE—INQUIRY AS TO STORAGE OF NUCLEAR WARHEADS IN CANADA

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether it is the policy of the Canadian government to store nuclear warheads in Canada in connection with the Bomarc squadrons which may be installed in this country?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have nothing to add to what has already been said in that connection. There has been no determination made regarding the storage of nuclear warheads.

POWER

COLUMBIA RIVER—INQUIRY AS TO AVAILABILITY BEFORE 1970

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Justice. I have just received a document which I hold in my hand entitled "Hydro Power in British Columbia—1960", which contains proposals for a Pacific international power pool and so on and also includes a map showing the proposed plants on the Columbia river as feeding power to the main line of the Peace river power project when it is built. I have received this document with the compliments of Mr. W. C. Mainwaring, president of the Peace River Power Development Company Limited. It appears to me after reading this prospectus, based on engineering studies and reports by persons employed by the company—

Some hon. Members: Question.

Mr. Herridge: I am quite in order—that there is a desire on the part of this company to intrude into the development of the Columbia.

Mr. Speaker: Order. From following the hon. member up to this point it would seem to me that he is making a speech. Has he a question to ask about this document?

Mr. Herridge: Yes, I have a question, but one has to lay the groundwork in such a complicated international matter. I am concerned about what I read on page 2 of this prospectus.

Some hon. Members: Question.

Mr. Herridge: It reads as follows—

Mr. Speaker: Order. Surely if the hon. member has a question to ask he can present it without so much preliminary. It seems to me that the matter might be more appropriately brought up at another time.

Mr. Herridge: Mr. Speaker, this is a very important matter and I am directing my question to the Minister of Justice because I seek his opinion on this very disturbing sentence.

> Unquestionably, agreement will be reached eventually but it is unlikely that any power will be available from the Columbia before 1970.

Would the minister mind giving his opinion of that statement?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I also have received a copy of this document entitled "Hydro Power in British Columbia—1960". While I make no comment on the preface which the hon. member put ahead of his question, I do agree that the question itself is very important. With respect to the sentence in question at the bottom of page 2 I can only say that this appears to be a continuation of the unfortunate and inaccurate propaganda which has been directed against the possibility of Columbia river development by those primarily interested in Peace river development. The misleading effect of the phrase "unquestionably agreement will be reached eventually" cannot be too strongly condemned.

We are close to agreement now, and provided there is a real determination and desire to agree by the parties to the negotiations there is no reason why agreement cannot be reached in the near future. Given the fact of agreement in the near future, it is an inaccurate statement to say that power will not be available from the Columbia before 1970. Power can be made available from the Columbia river under international agreement an appreciable length of time before 1970.

Mr. Herridge: I am proven right again.

FLOODS

LAKE NIPISSING—REQUEST FOR OPENING OF OUTLET GATES

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Public Works, notice of which I was able to send him earlier. In view of the dangerously high water level in lake Nipissing, and since flood conditions in the lower French river have improved slightly in the past few days, will the minister issue instructions today to commence opening the new portage dam which will further increase the outflow from lake Nipissing in direct proportion to the lessening of flooding in the lower French river, it being understood that this increased outflow will be to a degree which will not result in water in the lower French river being raised

above certain high levels agreed upon by his department and the areas concerned during recent discussions?

Hon. D. J. Walker (Minister of Public Works): I want to thank the hon. member for sending me notice of his intention to ask this question. I fully appreciate his concern, and I would advise him that our engineers have been watching this situation constantly. In fact, over the week end I sent the chief engineer for Canada up there. As the hon. member knows, we have met with the people of North Bay and we have met with the emergency committees.

The full natural flow from the lake has been maintained ever since the lake levels reached the flood stage, and as soon as the flood levels downstream on the French river will permit an increase in the outflow from the lake, the department will take immediate action. We are keeping close check on downstream levels, and instructions have been issued for this action. The department does have to keep in mind the need to protect the people downstream along the French river, about which the hon. member for Parry Sound-Muskoka has expressed concern, because to reduce the level of lake Nipissing by one tenth of a foot would increase the flood level of the French river by as much as two feet.

Mr. Garland: I wonder if I might direct a supplementary question to the minister, without in any way suggesting that there has been any lack of co-operation. Since the federal government has control over the outflow from lake Nipissing, will the minister use his influence in making representations at the appropriate level to Ontario hydro and the Ontario department of lands and forests with a view to ensuring that the flow into lake Nipissing, which they control, will be reduced to the absolute minimum until this emergency has passed?

Mr. Walker: As the hon. member probably appreciates, this matter is under the control of Ontario hydro. We would be very glad to co-operate with them in any way, but as my hon. friend appreciates they, like the federal government, are a very efficient organization and I understand have this matter constantly under consideration.

Mr. Garland: I appreciate the minister's comments, but I wonder if he would comply with my request and use his influence in asking these people to reduce the flow to a minimum while this emergency exists.

Mr. Walker: I would be glad to convey to Ontario hydro the views of the hon. member for Nipissing.

[Mr. Garland.]

FINANCE

REPORTED STATEMENT BY POSTMASTER GENERAL RESPECTING TAX ON U.S. MAGAZINE ADVERTISING

On the orders of the day:

Mr. Hubert Badanai (Fort William): I have a question I propose to ask the Postmaster General. The minister, in an address to the American federation of advertising in New York on June 6, was reported to have expressed concern over the repeal by the government in 1958 of the special tax on the advertising content of special Canadian editions of United States magazines. Is the minister in a position to say whether the government is giving consideration to the reimposition of this tax?

Mr. Speaker: I am not sure whether the minister considers that an appropriate question, but it seems to me to be a question relating to fiscal policy which could be more properly brought up on the budget or the estimates.

Hon. W. M. Hamilton (Postmaster General): Unfortunately there is in this question an inference which I think should be corrected, because I should point out that the very story to which the hon. member refers said specifically that in the speech I made no reference to the tax. What I actually did say was that when United States publications begin to invade the field of our Canadian publications by seeking advertising dollars which would otherwise support genuine Canadian publications, we begin to have serious reservations because by so doing they inflict direct economic and indirect cultural damage in friendly countries such as Canada, which are proud of their own nationality and want to develop their own national characteristics. I added that the problem is now giving many Canadians cause for anxious thought and examination. However, I thank the hon. member for giving me the opportunity to make the speech again here.

Hon. L. B. Pearson (Leader of the Opposition): May I ask a supplementary question of the Minister of Finance. Does the government intend to do anything about this problem which has been emphasized by the Postmaster General?

Hon. Donald M. Fleming (Minister of Finance): As the hon. gentleman is aware, government policy is always announced at the appropriate time.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Does the Minister of Finance share the concern of the Postmaster General?

Mr. Speaker: Order. I recognize the hon. member for Port Arthur.

Mr. D. M. Fisher (Port Arthur): I appreciate the chance to get in ahead of these giants, Mr. Speaker. I should like to ask a supplementary question of the Postmaster General. His remarks indicate that this matter recently has become crucial. Can he give us any evidence to support his reasons for making this judgment of the situation?

Mr. Hamilton (Notre Dame de Grace): I do not think anything I said indicated that it had recently become crucial. I certainly did not use those words. However, I pointed out to my audience that the spread of what are called split run editions, in which a United States publication will circulate in Canada with completely United States content but using advertising which is solicited in Canada, is a new development, and I referred to that development as invidious.

Mr. Martin (Essex East): May I ask a supplementary question of the Minister of Finance. Does he share the concern of his colleague the Postmaster General in regard to this matter?

Mr. Fleming (Eglinton): I think it is a well-known fact that the Minister of Finance shares all the concerns of his colleagues and of all members of the House of Commons.

Mr. Martin (Essex East): Never mind moralizing.

COMBINES INVESTIGATION ACT

RENNET—SUGGESTED INQUIRY INTO PRICE INCREASE

On the orders of the day:

Mr. H. O. White (Middlesex East): I wish to direct a question to the Minister of Justice. Has the attention of the minister been drawn to the unprecedented increase in the price which cheese makers are forced to pay for rennet, which has increased from $8.10 per gallon to $26.95 per gallon in less than a year? Will the minister ask the combines investigation authorities to examine the causes and report, as this has increased the cost of making cheese by approximately half a cent a pound?

Mr. McIlraith: They read the new bill.

Hon. E. D. Fulton (Minister of Justice): I had not in fact had my attention drawn to this report. However, I shall be pleased to draw it to the attention of the director of investigation and research and ask him to give it immediate consideration.

79951-0—294½

Inquiries of the Ministry

BUSINESS OF THE HOUSE

BILL OF RIGHTS—INQUIRY AS TO DATE OF INTRODUCTION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): In view of the importance of the matter and the lateness of the session, may I ask the Prime Minister whether he can give the house some indication of when the bill of rights will be introduced?

Right Hon. J. G. Diefenbaker (Prime Minister): Within the next couple of days, Mr. Speaker, I hope to be able in general to outline the legislative program we have in mind for the house. At that time I will deal with the item in question.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO SALE OF BONDS IN PORTFOLIO OF FUND

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Finance whether he could tell us if it is a fact that the Bank of Canada is now selling long term bonds held in the portfolio of the unemployment insurance fund and buying treasury bills with the proceeds?

Hon. Donald M. Fleming (Minister of Finance): I think the hon. gentleman is not correctly informed in speaking about the Bank of Canada selling bonds in that regard. It is the commission acting through its investment committee that is in charge of any investment portfolio transactions in which they choose to engage. It happens that the governor of the Bank of Canada is a member of that committee. Perhaps that fact has led the hon. gentleman into putting his question in the form in which he has put it and which, of course, is not accurate. However, I should be glad to make inquiries as to the most recent portfolio transactions of the investment committee and acquaint the hon. member with the answer.

Mr. Martin (Essex East): May I ask a question of the Minister of Labour. I thank the Minister of Finance for his answer to the question. Will the Minister of Labour give us—and he may take this as notice—information as to the investment transactions, that is the buying and selling of bonds and other securities and the losses and profits as a result thereof, of the unemployment insurance fund in the months of April and May of this year?

An hon. Member: Order paper.

Hon. Michael Starr (Minister of Labour): I should be glad to give that information if the hon. member would put the question on the order paper.

Inquiries of the Ministry

Mr. Martin (Essex East): On a question of privilege, Mr. Speaker, may I say that I am not obliged to put it on the order paper. It is the privilege of a member of parliament, with regard to a matter he regards as urgent, to put the question in the way in which he wishes to put it. This is an important and urgent matter. I ask the Minister of Labour to give us a reply.

Mr. Speaker: I think there is a point here which deserves attention. If a question is objected to as more properly being one for the order paper, I think it might be raised as a point of order—

Mr. Starr: My reason for suggesting that it be put on the order paper is that it entails a great deal of research and the gathering of a great deal of data.

Mr. Speaker: I am inclined to agree that the question is one which requires statistical information, and that it is more properly one for the order paper.

Mr. Martin (Essex East): May I deal with the point of order? The question has now been asked. It is a matter of record. The minister will be able to look at the question when the unrevised *Hansard* is presented; and because of the willingness of the Minister of Finance to answer the question previously put to him it will be difficult to understand why the Minister of Labour will not accede to my request.

Some hon. Members: Order.

Mr. Speaker: The hon. member rose on a point of order, but his remarks have a different trend; they are dealing with the attitude of the minister with respect to a reply. I did not stop the hon. member when he asked his question, but it is one of those questions which require statistical information to be collected; and while it may be urgent, it is in my view a question for the order paper.

Mr. Martin (Essex East): The minister has this information at his disposition now.

Mr. Starr: In order to correct any wrong impression which may have been gathered, I think I should put this straight. There is no intention not to supply this information. I am perfectly willing to do that, but I think the proper procedure is by the way of the order paper, not on the orders of the day. If the hon. member seeks this information, statistical in its nature as it is, the proper procedure would be to put it on the order paper.

Mr. Speaker: I have already given my view that the question is one for the order paper, and I hope the hon. member will agree to follow that course.

Mr. Fleming (Eglinton): On a question of privilege, the hon. member for Essex East referred to what he called my unwillingness to give information—

Some hon. Members: No; he said "willingness".

Mr. Fleming (Eglinton): Very well, I withdraw the question of privilege at once. I am happy now that the hon. member has taken due note of the extensive information I gave in my answer, which the form of his question indicated he needed.

Mr. Martin (Essex East): I want the Minister of Finance to know that he would be the last person in this house that I would criticize.

CANADA-NETHERLANDS INCOME TAX AGREEMENT ACT

AMENDMENT TO APPROVE SUPPLEMENTARY CONVENTION

Hon. Donald M. Fleming (Minister of Finance) moved the third reading of Bill No. S-2 to amend the Canada-Netherlands Income Tax Agreement Act, 1957.

Motion agreed to and bill read the third time and passed.

INTERNATIONAL DEVELOPMENT ASSOCIATION

APPROVAL OF ARTICLES OF AGREEMENT AND PAYMENT OF SUBSCRIPTION

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-70 respecting the International Development Association.

Mr. Speaker: Are copies of the bill available?

Mr. Fleming (Eglinton): I am informed that copies in English and French have arrived and are being distributed.

At the resolution stage yesterday there were indications in all parts of the house of approval of the principle and purpose of this measure as well as of the procedure that was suggested, and in view of that fact I think it may be assumed that the bill does meet with the approval of the house and that the house has welcomed the suggestion that immediately following second reading of the measure it should be referred to the banking and commerce committee. I think hon. members who spoke yesterday were agreed that this would afford an excellent opportunity not only of studying the form of the proposed new

association but also of acquiring all the information they might think necessary about the relationship of this proposed new association to the international bank for construction and development and other international organizations of the kind.

Hon. L. B. Pearson (Leader of the Opposition): Support by this party of the principle embodied in this bill has already been indicated. It is not my intention to take up any time this morning. This is a bill which provides for Canadian participation in an initiative which will mean economic aid to underdeveloped countries of a kind which cannot be properly advanced at present through the world bank. Therefore its aims appeal to us all.

We approve the principle of the bill, and we approve the procedures which have been outlined by the minister as to dealing with the bill in committee.

Mr. Erhart Regier (Burnaby-Coquitlam): I also wish to support the proposition now before us, and I also want to compliment the government on submitting this proposal by way of legislation to the House of Commons.

As the minister knows, Canada also became a member of another international corporation—the International Finance Corporation, I believe, was its name—which is also affiliated with the international bank. That was only done by way of a vote in the estimates. There was no debate, and no acceptance by the House of Commons of our participation in that international organization other than the acceptance of the estimate. I always like to see legislation carried out by way of a bill or resolution which can be debated in the House of Commons rather than merely by an estimate in the blue book. I should like to compliment the government for deeming it advisable to obtain the formal approval of the House of Commons of Canada for this proposal.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

WAYS AND MEANS

The house in committee of ways and means, Mr. Flynn in the chair.

EXCISE TAX ACT

Resolved,—That it is expedient to introduce a measure to amend the Excise Tax Act to provide:

1. That the sales tax on electric heating equipment, designed for use on a system using 230 volts or greater, for permanent installation as part of an electric heating system for buildings, be repealed, but not including electric wiring or other materials leading to or connecting such equipment to the electric power supply.

2. That ducts for warm air systems for heating buildings, but not including materials used in their manufacture, be exempt from sales tax.

3. That the sales tax on laryngeal speaking aids and parts therefor, including batteries specifically designed for use therewith, be repealed.

4. That the sales tax on prepared surgical sutures be repealed.

5. That the sales tax on goods enumerated in customs tariff item 692a, that is, "articles presented from abroad in recognition of the saving of human life", be repealed.

6. That the sales tax on perlite be repealed.

7. That portrait photographs of individuals be exempt from sales tax.

8. That the exemption from sales tax for,
"perforated bituminized fibre pipe for drainage purposes not exceeding four inches in inside diameter"
be changed to read,
"perforated pipe for drainage purposes not exceeding four inches in inside diameter".

9. That the exemption from sales tax for feeds and feed supplements be extended to include feed supplements for addition to feeds for fur-bearing animals, and materials to be used exclusively in the manufacture thereof.

10. That hardware for doors and sash not specifically mentioned in schedule III be excluded from the sales tax exemption for articles and materials to be used in the manufacture of building materials.

11. That the exemption from sales tax for,
"septic tanks"
be changed to read,
"septic tanks and grease traps therefor".

12. That the exemption from sales tax for,
"Usual coverings to be used exclusively for covering goods not subject to the consumption or sales tax and materials to be used exclusively in the manufacture of such coverings"
be changed to read,
"Usual coverings or containers to be used exclusively for covering or containing goods not subject to the consumption or sales tax and to be delivered and sold with the goods, and materials to be used exclusively in the manufacture of such coverings or containers".

13. That the exemption from sales tax for,
"Materials for use only in the construction, equipment and repair of ships over ten tons net register tonnage"
be changed to read,
"Materials for use only in the equipment and repair of ships over ten tons net register tonnage".

14. That the security required under the Excise Tax Act include bonds or other securities of or guaranteed by the government of Canada.

15. That any enactment founded upon this resolution be deemed to have come into force on the 1st day of April, 1960.

On paragraph 2.

The Chairman: We are on paragraph 2. Yesterday the hon. member for Burnaby-Coquitlam offered an amendment to this paragraph as follows:

That the resolution be amended by eliminating therefrom the words "but not including materials used in their manufacture."

I understand that the hon. member for Carleton wanted to raise a point of order on this amendment.

Mr. Bell (Carleton): Mr. Chairman, it was my intention when the amendment was moved to raise a point of order, but my researches have indicated to me that it would not be judicious to do so.

Mr. Martin (Essex East): I wish the Minister of Finance would follow that course.

Mr. Regier: I wish to offer a few words of explanation. Under existing conditions a manufacturer is able to retail to a user a warm air heating system, and if he does so he has to collect an 11 per cent tax only on the materials used in the manufacture; but if the manufacturer disposes of the article to a wholesaler he is obligated to make the wholesaler pay an 11 per cent tax on the whole article. The wholesaler is therefore placed at a considerable disadvantage. Since labour is a large component of the cost of these heating units I feel this is not right and does not reflect the intention of the government. The object of the amendment is to place the wholesalers on the same level as the manufacturer in so far as the amount of sales tax is concerned.

Mr. Bell (Carleton): Mr. Chairman, the situation in respect of this is that the exclusion from the exemption of materials used in the manufacture of ducts for heating systems conforms with what has been the previous tax situation. When these products of the tinsmith's trade were free from tax because the tinsmith was classed as a small manufacturer, the raw materials he purchased were not exempt. Moreover, these ducts might be manufactured in shops that produce taxable products as well as tax exempt heating ducts. In such cases it would be extremely difficult from an administrative point of view to keep account of and to restrict the tax exemption to the sheet metals going into heating ducts. I think in that situation the hon. gentleman will probably realize that what he seeks to do by the amendment is to create a situation which administratively would not be feasible.

Amendment negatived: Yeas, 19; nays, 83.

Mr. Godin: The situation dealt with by this paragraph creates a problem for the average small home owner as a result of the new regulations introduced. I have had occasion to refer to this previously. Notwithstanding the remarks of the Minister of Finance with respect to the regulations concerning tinsmiths, we can see today that the position of the tinsmith is definitely not the same as it was a year ago. We have heard about government by order in council, and so on, but in this instance we have had government by interpretation.

[The Chairman.]

I am informed that the tinsmiths in Canada were first advised that the regulations would take effect in July of 1959. If that is not correct the minister is free to say so. At that time instructions were given to the effect that the tinsmiths would come under sales tax on the products they manufacture and sell, and would lose the exemption previously accorded them under the regulations. I realize that section 34 of the Excise Tax Act gives the minister power to issue instructions that would cancel the previous instructions. For some reason not explained the people affected by those instructions were later informed that the regulations would not come into effect until January 1, 1960. Hon. members began to receive protests from the people concerned. If my information is correct the minister later apparently postponed the effective date from January 1 to July 1, 1960. That is how it stands today.

Last evening the parliamentary secretary to the Minister of Finance read a paragraph from a letter which appeared to congratulate the minister on what he was doing, but in my opinion the tinsmiths of this country are not in the position they were in previously.

I should like to bring to the attention of the minister some of the items which necessarily, under these new regulations, will be taxed henceforth. This will result in adding to the cost of home construction. Once again this government will be responsible for striking at the Canadian small home owner who will have to pay additional taxes.

Mr. Fleming (Eglinton): That is utter balderdash.

Mr. Godin: I can tell the minister who now objects that in this respect the home owner will henceforth be taxed, which was not the case previously. I understand that on the conventional home this will run as high as $250, and if the material used is copper it will run to $900 or $1,000. These are estimates that I have received from people who know what they are talking about.

Some hon. Members: Oh, oh.

Mr. Godin: The material is taxable. The difference between the cost of eavestroughing is such that if copper is used it will cost you definitely at least four times as much.

We were informed a moment ago by the parliamentary secretary that he did not wish to accept the amendment presented by the hon. member because it would cause confusion in administration. May I remind the parliamentary secretary and the minister that under a clause which we shall be discussing in a moment, namely clause No. 12, coverings

or containers are exempt. If the material used by tinsmiths was also exempt from excise tax, in what way would that be confusing.

Mr. Fleming (Eglinton): Mr. Chairman, on a point of order, the hon. member is discussing an amendment which has just been disposed of by the committee.

Mr. Godin: I am not discussing the amendment, nor do I wish to bring it back. Since this paragraph has not been passed as yet, I am just making reference to the argument that the material, which is the matter under discussion, be not exempt from sales tax. The paragraph reads:

That ducts for warm air systems for heating buildings, but not including materials used in their manufacture, be exempt from sales tax.

The opinion of the minister, as explained by his parliamentary secretary, is that the tinsmiths of this country should be taxed because it would be confusing to the administration if they were not. In a few moments we will consider another paragraph which should receive some attention. Since the materials used in the fabrication of the articles under that clause are exempt from sales tax, the articles themselves should be exempt. Surely there cannot be two arguments about the difficulty of administration and the confusion which may be created. Air conditioning units which may be installed in a building are not exempt. This is further taxation.

We realize that today our workers, and especially the workers in my area, require the very best of conditions in their homes. We know that in 1960 this type of unit or installation is commonly used, much more so than 15 or 20 years ago. We are trying to prevent the betterment of our worker by putting a tax on those things. Ventilation in our homes today is not a luxury. We have dryers in homes and the people should have them. The worker will have to pay a special tax on any special installation he may require for the ventilation of dryers. Today kitchens have ventilation systems, and they should have them. Tinsmiths will be taxed on installations in kitchens, which was not the case before.

We do this when people are anxious to have a better standard of living. People should be able to afford and can afford to have better facilities and modern homes, yet we are bringing in a clause in 1960 which taxes them and puts an added cost on the homes of those workers who should have those facilities.

Under this paragraph the material is taxed. I do feel that the government should pay attention to the representations which were made to the minister. Undoubtedly his actions indicate that the people of Canada have made numerous representations to him. A few months ago I had occasion to make reference to representations made by some people in my area. Representations were made by the tinsmiths' association through Mr. McCoy. I do not wish to read the letter to the Minister of Finance, but I must say that he was wrong when he indicated to me in the house that the regulations we were discussing at that time had been done away with and that the tinsmiths were not in a position different from that which they enjoyed before.

Notwithstanding the congratulations which the parliamentary secretary read last night, it is not quite the true story of the position of the tinsmiths in Canada, especially as it affects the consumers. I am thinking of the consumers because hon. members should realize that the 11 per cent tax which is levied is not paid in the long run by the manufacturers or the tinsmiths. They pass it on. It will be simply added to the cost of the installation which the tinsmith is making, and it will be passed on to the user or the contractor. The man who will pay it in the end is the worker or the person for whom the building is being constructed or the unit installed.

I feel the minister should think over his proposition which he mentioned some months ago, the effect of which has been postponed. We should return to the condition that existed before this amendment was introduced, so that the maximum number of houses would be built. We have few houses being built in our country today owing to the money situation. If the minister accepted my suggestions at least the houses which are built would be built at a minimum cost.

Mr. Fleming (Eglinton): The hon. member has evidently quite misapprehended the effect of the present proposal. I would hate, in the light of what he has said today, to entrust him with any estimates of the cost of house construction or any attribute of it. This, Mr. Chairman, is a relieving provision. If the hon. member does not want to introduce this form of taxation relief, then of course his proper course is to oppose the resolution. This is a relieving provision; I wish to make that clear.

In the second place, it would have the effect of removing the existing discrimination. I do not think hon. members wish to see discriminations existing in this field. When tinsmiths were originally exempted as a class under the regulations to which he has referred—and in this respect it is not the Minister of Finance but the Minister of National Revenue under whose authority those

regulations are made, the authority being given by act of parliament—there was a large number of smaller operators doing their own work with hand tools. With the change in economic conditions and techniques, tinsmithing operations have changed into a full-fledged business, each manufacturing an extensive variety of goods made out of all kinds of sheet metal, including among other things such major items as lockers, tanks, cabinets, shelving and so forth. In other words, it has developed that operators who were claiming to be exempt as tinsmiths were in fact manufacturers of metal products and were competing on a tax-free basis with other manufacturers of metal products who had to pay sales tax on what they produced.

Now, Mr. Chairman, I think it is quite clear that this provision will have the effect of relieving the situation and removing a patent discrimination, where some persons have been taking advantage of a provision which was never intended by parliament to be used in the way in which they have been using it.

Mr. Wratten: I should like to say a few words on this subject, because I have been a tinsmith all my life. This is not a new subject; this idea of paying sales tax on manufactured goods worth over $3,000 has been in force for years, but it was never enforced on small tinsmiths.

It is a good move that warm air ducts are not to be subject to sales tax, because most of the shops throughout the country which are installing furnaces and air conditioning units are small shops. They buy all their fittings in manufactured form, and the sales tax has already been paid on those fittings. Sales tax has always been paid on furnaces and fittings and so on before they come to the shop after being purchased from the large manufacturers. Therefore the exemption from sales tax of ducts for warm air heating systems and for air conditioning is a move in the right direction, because it means the doing away with the payment of an unnecessary tax by the tinsmiths who make the installations.

I suggest that the small shops that employ only one or two men should be exempt from the sales tax requirement, because they are not in the manufacturing class. That is where the big trouble arises. The small operator who has only one, two or three men working for him is practically working for the government now, because he has to make unemployment insurance and income tax payments, and so on. If he has to make sales tax payments too it will mean he will have to hire somebody to look after these things. We have always paid sales tax on such items as eavestroughs, conductor pipes and so on that we have bought. The proposal to remove the sales tax from warm air ducts is a good move because it helps the householder.

One hon. member said that it would increase the cost of an installation in a home by $200. I should like to go to that district where they are getting that kind of money, because in our section of the country we certainly do not get that kind of money and could not increase the price by $200 for a home installation. The difference in the price of materials about which he spoke certainly does not amount to $200 to $800 in a home.

Mr. Fleming (Eglinton): Mr. Chairman, following what has been said by the hon. member for Brantford, I think the committee will recall what was said last night by my parliamentary secretary in emphasizing that the proposed change in the regulations concerning tinsmiths will not change the present practice of not imposing a sales tax on sheet metal work done on a construction site, such as installing flashings or doing roof work.

Mr. Crestohl: Mr. Chairman, I am looking at the wording of the section. Does the minister not think the wording could be much more explanatory of what it is intended to achieve? When we look at it now we see that ducts for warm air systems for heating buildings, but not the materials, are to be exempt. Ducts consist of two things, the material and the labour that goes into making the ducts. Would it not be much simpler and clearer if we said that the labour that goes into these things shall be exempt from sales tax? Inasmuch as a duct is the material and the empty space, if we say that the material shall not be exempt then we are only exempting the empty space, the piping, the air space. I think the provision should be clarified, because as I read it now ducts for warm air systems shall be exempt but not the materials. What then is exempt? Is it the labour or is it the air space?

Mr. Fleming (Eglinton): What is being exempted is everything that goes into the sale price. The suggestion of the hon. member would involve a revolutionary change in the whole basis of the Excise Tax Act, because the principle of that act is to levy a percentage tax on the sale price when sold at the manufacturer's or producer's level. It would not be possible to take that price and break it down into component parts. I do not know how you would isolate certain elements that enter into the sale price. It would be a hopeless undertaking. In any event, I must point out to the hon. member that his suggestion is completely hostile to the present principle and basis of the whole act.

Mr. Herridge: Mr. Chairman, I rise to support very briefly the approach to this problem expressed by the hon. member for Burnaby-Coquitlam and the hon. member for Nickel Belt, because I am of the opinion that the government's policy should be to do everything possible to reduce the cost of housing. Housing is a very important matter to working people particularly, and my criticism of this arrangement is simply that under present circumstances I think the government should do everything it can with respect to taxation and within the limits of its other powers to lower the cost of housing as much as possible. This is a serious matter to working people generally. I think the hon. member for Nickel Belt was a bit out of line when he suggested two or three hundred dollars, but even if there is an extra cost of $20 to $50 on the average house—

Mr. Godin: I did not say that.

Mr. Herridge: Pardon me; I understood the hon. member to say that the extra cost would be about $200. I may have misunderstood him. But even if it is only $20 to $50 it is an additional cost, and I think that in line with the needs of today the government should consider doing what it can to assist in this direction. On that account I should like the minister to inform the committee the reason for the decision to tax the materials that go into heating ducts.

Mr. Fleming (Eglinton): With respect, I must say that I think the hon. member has misapprehended the effect of the resolution. The resolution is a relieving provision. Its purpose is to create an exemption in respect of ducts for warm air systems for heating buildings where an exemption did not exist before. Far from increasing the cost of construction to small or large home owners, the effect of this provision is more likely to be to reduce the cost because, you see, the exemption that he speaks of applied previously only in the case of purchases from a particular source, and now the exemption will apply in the home owner's favour wherever he acquires his ducts for warm air heating.

I think there has been a total misapprehension in the discussion and the remarks of some hon. members opposite as to the effect of the resolution. This is more likely to reduce the cost of home construction to the small home owner than to increase it, and at the same time we are removing a discrimination.

Mr. Herridge: I quite understand that this is a partial benefit, but in view of the housing situation I wanted to know the reason for the government's decision not to remove the excise tax completely from this heating equipment.

Mr. Fleming (Eglinton): The hon. member talked about this heating equipment, but the equipment we are discussing consists of ducts for warm air systems for heating buildings. That is what is to be exempted here. To go on and say that we should extend the exemption as well to the materials used in their manufacture would be taking us into some very doubtful realms. I have given, and my parliamentary secretary gave last night, very sound reasons for this resolution being in its present form. I can repeat those reasons, but I do submit in all earnestness to the hon. member, whose concern in these matters is recognized by all members of the committee, that to interpret this resolution as one likely to increase the cost of home construction is quite wrong.

The hon. member for Brantford, who has had more firsthand experience with this business than any other member of the house and who has studied it very carefully, has given most convincing reasons for support of the resolution in its present form.

Mr. Godin: Mr. Chairman, I suppose I should be entitled not to present a rebuttal but to explain what I said before. I said that for an average size home it would cost roughly $275 or $300 to have the job done if tin were used, and if copper were used the cost would be between $900 and $1,000. That is the cost I have obtained, and the hon. member for Brantford should agree that this is roughly correct. We were told by the minister that was the amount on which the buyer of this material would have to pay tax, and on $300 that would be $33 or more which he would have to pay. If the man chose copper as the material he would have to pay roughly $110 extra. My neighbour happened to have this job done last week, and over the week end I asked him what it did cost. He gave me the price.

Surely there must be an average price. I realize that the size of the home and possibly the type of roof construction would make some difference to the cost of a watershed built around the roof. Surely the minister agrees that the amounts given by me are proper. I do not say that would be the whole amount, but it would be terrible if the government were to add $33 to the cost of a house because when you consider the amount these people borrow and repay over 25 years it might mean the addition of $75 to the cost of a house.

I am surprised that the minister did not answer some of my questions. The minister

mentioned that this is a relieving section, but it has been a relieving section only since May 6.

Mr. Fleming (Eglinton): No.

Mr. Godin: I realize why the minister may be getting to his feet. I realize there was no amendment of May 6 to this paragraph. The amendment of May 6 refers to paragraph 12 which we will be discussing later and about which the minister certainly made a volte face in relation to the position he had previously taken. This second exemption is partial. There are taxes which will have to be paid by the people who contract to have homes built. These taxes will be an added expense. The hon. member for Brantford has not told me what the added taxes will be if the home owner wants to have a special installation extending 20 to 25 feet to properly ventilate a dryer, or 20 to 25 feet in order to properly ventilate a kitchen. I have not been told what the additional cost to the home builder would be in relation to air conditioning.

I do believe the people interested in these items were slightly pleased when they were instructed recently that some relief would be given to them, especially when one considers the notification they received earlier that they would now become taxable and would not be considered as small manufacturers. I must congratulate the government for at least bringing in a partial exemption. However, the government has not introduced an exemption which would put the small home builder in the position in which he was under the previous administration.

This is the answer I should like to obtain from the minister. This is a relieving section to some extent. We have taken away 100 per cent and we are giving somebody back 20 per cent, and we call that a relieving section. This is the explanation I should like to obtain from the minister. It is the consumer of the services offered by the tinsmith, the home builder, the worker, who is suffering, not the tinsmith. If a person ordered copper flashing which the tinsmith agreed to install for $900, the tinsmith would have to pay roughly $110 in tax. I do not believe the tinsmith would take that loss, so the flashing would cost the man about $1,110. I am speaking on behalf of those people who use the services of the tinsmith, not necessarily the tinsmith. I believe it is a known fact in this country that people measure the amount of profit they can make, and if a tax is placed on their work, then that tax is passed along to the consumer.

Mr. McDonald (Hamilton South): I should like to make a few remarks on the subject to which the hon. member for Nickel Belt has referred. It is obvious that he knows nothing about the heating business. If a warm air heating unit is installed in a home today the average cost on a project basis is between $525 and $650. This is for the furnace, the burner, the oil tank and the duct system. The duct work, which is the thing we are discussing today, will cost between $125 and $200, and it is being exempted from tax at the present time.

The hon. member talks about a copper installation in connection with warm air heating units and air conditioning. I have yet to find such a copper installation in my part of the country.

Mr. Godin: Would the hon. member permit me to say that I was discussing drainage systems and roof flashings, which are not exempt under this section. I was not talking about the things which are exempt. I am talking about ventilation, which is not exempt, and air conditioning, which is not exempt, as well as the drainage for roofs, which is not exempt.

Mr. McDonald (Hamilton South): In so far as air conditioning is concerned, when the furnace is installed in the basement of a house and the piping is made up, they use the same pipes for the air conditioning that they use for the warm air heating. They do not run a separate pipe system, and this duct work is exempt for the warm air heating system because that is what it is used for in the wintertime. The hon. member says that this government is increasing the cost, which is not true.

Mr. Wratten: In reply to the hon. member for Nickel Belt may I say that it is stated right in the bill that flashings are exempt. It does not matter whether you instal copper flashings or galvanized iron flashings, they are exempt from this sales tax. In so far as the warm air ducts are concerned, we have always paid sales tax on the material as it comes to our shops. The tinsmith pays sales tax on the materials. However, under this new regulation we do not pay sales tax on the cost of manufacturing the warm air ducts as we were required to do before. It is at this point that the saving comes in.

In so far as the cost of installation is concerned, we do a lot of installations in my home town and the average price for installing an air conditioning unit is running between $250 and $275, that is for piping the unit. When this new regulation becomes effective there will be no sales tax paid on the ducts we make up to go into the unit, and this would result is a saving to the home builder when he is having the unit installed.

In so far as eavestroughing is concerned, the average price of eavestroughing for the homes that are being built in Brantford or anywhere in southern Ontario is running between $75 and $100, that is for labour and everything. It does not cost $275, as my hon. friend states. If one receives that amount of money for installing eavestroughing on a house in Sudbury I am going to move my shop up there tomorrow. The eavestroughing comes in already made up. I do not believe there is one manufacturer in Ontario who will make up eavestroughing by hand, because it does not pay. We can buy the eavestroughing in 10-foot lengths, already stamped out, so we do not manufacture it. We buy it from the manufacturer who pays the sales tax that the government imposes. The cost certainly does not run anywhere near $275 a house. I have been in this business since 1923, and I have yet to instal eavestroughing on a house that cost $275.

Mr. Benidickson: I think the hon. member for Brantford has been very helpful in explaining the present situation in connection with a trade with which he is so familiar. However, would he not agree with me that notwithstanding the exemption provided here with respect to ducts, a mistake was made when the small tinsmith was removed from the type of manufacturer listed in form ET 1 to which I referred last night, and that if he were restored to his former position it would be helpful to the small tinsmith?

Mr. Wratten: The whole problem has been in trying to differentiate between a tinsmith in a small shop such as that which we operate at home, with my two sons and a couple of helpers, and a tinsmith in a large shop. Certainly if the sales tax were taken off everything we put into the home it would help us. How are we going to make a distinction between a small shop and a big one? If someone wants us to manufacture a hundred articles, we are going to do it. We therefore get into manufacturing. These shops which have 10 to 15 men and have to pay a manufacturer's licence are going to object to our doing that. It is only reasonable. But the small man who is working by himself, something which I did years ago, is not affected. It did not affect me because I never paid sales tax to the government at all on manufactured goods, because they were all brought in.

Paragraph agreed to.

On paragraph 3.

The Chairman: Shall paragraph 3 carry?

Mr. Benidickson: On paragraph 3 I have a few comments to make, and any remarks I make on paragraph 3 would be equally appropriate to paragraph 4. The minister well knows that when he and many of his present supporters were sitting on this side of the house they felt that our list of exemptions with respect to pharmaceuticals and medical items, particularly drugs, was altogether inadequate. We know that new drugs are coming on the market and that they are extremely expensive. We are reading these days that drugs in Canada are perhaps more expensive than they are in any other part of the world.

I just want to make the point to the minister that in another year we would hope his revenues might be in a better situation and that he might find it possible to extend the list of exemptions particularly with respect to drugs. We now exempt some of the expensive drugs that came on the market a few years ago, but the list has not been added to greatly. I think that now a number of expensive drugs have been substituted. I believe a revision in this field would be fruitful to the minister prior to another budget.

Mr. Fleming (Eglinton): I think the hon. member is referring rather to the list of drugs that may be included in the definition of medical expenses—

Mr. Benidickson: No.

Mr. Fleming (Eglinton): —and which are permitted to be deducted from income in the determination of income for income tax purposes.

Mr. Benidickson: No. I am referring to your schedule here.

Mr. Fleming (Eglinton): That was the burden of our representations in former years in opposition, and we have had an opportunity in the past two years to extend greatly the provisions of the Income Tax Act in that regard. As to exemption from sales tax—

Mr. Benidickson: May I correct the minister? I was not referring to that matter. I was referring to page 27 of the consolidation of the Excise Tax Act which sets out certain charitable, health and other items that are exempt from tax.

Mr. Fleming (Eglinton): Yes, but the hon. gentleman purported to refer to certain principles which I have advocated in this house. That is where I think he is confusing what has been said in this respect.

As to the removal of sales tax on articles in use by persons who suffer from either an illness, necessity for surgical operation or the need of some aid such as the special aid referred to in paragraph 3 of the resolution, I think we have shown by the terms of this resolution, as on other occasions, a desire

to make tax policy conform as far as possible to the needs of persons who suffer these misfortunes.

Mr. Carter: Arising out of what the minister has just said, which indicates the general attitude of the government toward this kind of aid, may I say this. A speaking aid naturally brings to mind a hearing aid. In fact certain kinds of hearing aids are exempt. I just wonder what the position is in a case where a hearing aid is combined with eyeglasses, as are most of the modern ones. Are they exempt when in combination as well?

Mr. Fleming (Eglinton): I am told that this nice point raised by the hon. member has not arisen for decision. A hearing aid is exempt at the present time. Eyeglasses in certain forms are not exempt. On this question of a combination, and here I am not attempting to give any interpretation that the hon. member should construe as being binding on the Department of National Revenue because the point has not arisen, I should think if the problem were presented under the law as it stands today the department would have to look at the portion of the aid which is exempt and treat it as exempt and look at that portion which is taxable and treat it as taxable. However, the point has not arisen for determination. I am simply indicating an immediate reaction to the nice question raised by the hon. member.

Mr. Carter: I can appreciate the difficulty. That is why I brought the matter to the minister's attention. Will he have his officers give some consideration to the exemption of this combination of aids?

Mr. Fleming (Eglinton): We will certainly give study to the whole question. I emphasize, however, that I am not attempting to give any interpretation for the Department of National Revenue if the question should be presented in court for decision.

Mr. Benidickson: One of the best known hearing aids of that type, which is a combination type, I was pricing myself, not for my own purposes fortunately.

Mr. Fleming (Eglinton): The hon. member is not suffering from the infirmities of old age, is he?

Mr. Benidickson: I think it is the experience of most people that the price of that particular article runs to perhaps a couple of hundred dollars, and that the value of the lenses would perhaps be the price of ordinary spectacles, say $10. Therefore the proportion that is attributable to the hearing aid is the important element by far.

[Mr. Fleming (Eglinton).]

Mr. Fleming (Eglinton): It is quite clear that the hearing aid is exempt. Therefore I think hon. members can be reassured that the proportion in the combination attributable to the hearing aid will certainly be recognized as exempt. They need have no fear on that score.

Mr. Howard: Having regard to the comments made by the hon. member for Kenora-Rainy River in connection with pharmaceuticals and the answer given by the minister, I should like to inquire whether pharmaceuticals are now exempt or whether they are taxed, and if so to what extent?

Mr. Fleming (Eglinton): They are taxable now, except in the specific exemptions enumerated in the schedule, namely schedule 3 of the Excise Tax Act.

Mr. Benidickson: There are four.

Mr. Fleming (Eglinton): There is there a list including a number of pharmaceuticals which are exempt, but they must be mentioned specifically in order to be exempt.

Mr. Benidickson: As I indicated—the minister has not said so—the list is rather slender and consists of ACTH, cortisone, insulin, radium and liver extract if used in the treatment of anemia. That is the entire list. That is why I was indicating its number.

Mr. Fleming (Eglinton): And vaccine for polio.

Mr. Benidickson: Yes, vaccine for poliomyelitis.

Mr. Howard: I tried to jot them down quickly. It seems to me there are six—if I was quick enough—which are now exempt. It would seem to me that the prices of drugs are high enough in Canada; in fact the indications are that they are higher in Canada than anywhere else in the world. It would seem to me that they are high enough without adding or having added or included a sales tax in the price thereof. This would appear to me to be one field which the government and the minister could explore thoroughly from the point of view of complete exemption of pharmaceuticals developed by the ethical drug industry.

I am not referring to the so-called proprietary medicines or cough syrups or things of that nature, although this is an industry which could be given some consideration also. I am referring especially to the wide range of broad spectrum antibiotics, for example tetracycline, tranquilizers and other drugs which have recently come on the market and to whose number additions are being made by the companies from time to time. As I said, it seems to me that with

Canada having to pay the highest price for its pharmaceuticals that is paid anywhere in the world, including the United States, some action might well be taken here by exempting these particular products from tax, hoping that the reduction would be passed on to the consumer for whom these drugs are prescribed.

The common price range of one capsule, for instance, in the tetracycline field is approximately 60 cents, and this is a heavy burden for an individual patient who has one of these antibiotics prescribed for him. He does not buy these drugs in lots of one, either; the normal prescription runs to 16 or thereabouts, for which the patient has to pay $8 or $9, maybe even more. We surely should not add to that burden by exacting sales tax from a consumer who finds himself in this difficult position. Inasmuch as we now exempt liver extract, ACTH, and poliomyelitis vaccine—these were the ones I was able to take down from the list that was read by the hon. member for Kenora-Rainy River—we should certainly extend this list to include the other types of pharmaceuticals developed by the ethical drug industry in order that we may relieve to an even greater extent the heavy burden placed on patients.

I do not know what this proposal would mean in terms of lost or decreased revenue to the government. Knowing that the drug industry is a two or three billion dollar a year industry, that is in the United States and Canada together, I realize that it could have some appreciable effect on crown revenues at a time when I know the minister is concerned seriously about the revenue and expenditure picture. However, here is a field in which immediate action is needed to relieve this onerous burden on people who through no fault of their own become ill and have to have these drugs prescribed for them. Perhaps the minister could indicate whether there has been a study made in this regard and, if so, what is the estimated revenue that accrues to the crown through sales tax on these pharmaceuticals.

Mr. Fleming (Eglinton): These matters are always under consideration. It is not possible to give a precise estimate. The cost would in any event extend into millions of dollars. How many millions, I would not be prepared to indicate at the moment. However, may I suggest we are not dealing with drugs in this item at all. We are dealing with the matter of a hearing aid. Now that the subject has been reviewed, perhaps the hon. member would be satisfied that he has put his views on the record.

Mr. Benidickson: We are not dealing with a hearing aid.

Mr. Fleming (Eglinton): A speaking aid.

Mr. Howard: I realize that I was probably wandering further than the resolution would allow, and I appreciate the courtesy of the minister in not following his usual practice of rising on a point of order. I also appreciate your courtesy, Mr. Chairman, in allowing me to continue.

Paragraph agreed to.

On paragraph 4.

Mr. Benidickson: With respect to paragraph 4, I was wondering what the position is with respect to the purchase of similar articles—pharmaceuticals and other things—that go into hospitals. Has there been an exemption with respect to purchases by hospitals other than those which are operated by a provincial government? I would imagine that such hospitals would get the prescribed exemption. Would a hospital which was not owned by a federal or provincial government be able to purchase drugs and surgical sutures without tax being imposed?

Mr. Fleming (Eglinton): The language of the act now exempts such articles and materials for the sole use of any bona fide public hospital certified to be such by the Department of National Health and Welfare when used exclusively by the said hospital and not for resale, and purchased in good faith.

Paragraph agreed to.

On paragraph 5.

Mr. Benidickson: This is an odd item. Would the minister just indicate the frequency of this event happening and what is involved. Is it a big prize?

Mr. Fleming (Eglinton): This paragraph refers to articles presented from abroad in recognition of the saving of human life. It does not apply to the saving of political life. This paragraph is put forward with a view to exempting special awards made from abroad to persons in Canada. Tariff item 692(a) is duty free but is not listed as tax free under the Excise Tax Act. This is something which appeared in the course of a study, and I think it is obviously the sort of thing the committee would wish to bring into line.

Paragraph agreed to.

Paragraph 6 agreed to.

On paragraph 7.

Mr. Herridge: Paragraph 7 reads:

That portrait photographs of individuals be exempt from sales tax.

I just rise to seek information from the minister. Obviously, in recognition of the

great contribution made by this group throughout the years to the public life of Canada, some of its members have been approached by very prominent artists who wish to paint their portraits in oils in order to make sure there is no gap in the continuity—in the pictorial record—of the public figures of this nation. I am just asking the minister whether that type of portrait in oils is exempt from taxation.

Mr. Fleming (Eglinton): If the value is more than $20, the portrait is exempt. I can well imagine that any portrait which preserves for posterity the good features of the hon. gentleman or his colleagues will certainly be a very valuable picture indeed, and consequently will be exempt.

Mr. Benidickson: I have previously indicated at another stage of the debate an interest in this item. I did not explain it at the time, but it arose from some inquiries I have made since January of this year with respect to an intention that was announced by the Department of National Revenue last summer to bring under tax in the future the photo finishing type of production from our photographic shops. We are back to that ET 1 form we have been discussing. Portrait photographers were listed as small manufacturers who would not have to take out the sales tax. I believe they have always escaped taxation on their production. We have, I believe, traditionally taxed what is recognized as ordinary commercial photography, but we have never imposed a tax on the cost of developing the ordinary roll of film for the general public. The department last summer indicated that they felt this should bear tax having regard to the language of the Excise Tax Act. I take it they were looking upon these people as in the nature of manufacturers or producers, and unless in some way exempted they proposed to impose a tax on this production for the first time. I believe it was to commence January 1, 1960.

Subsequently a row was raised and the department decided they were not too sure of their legal position. I am informed that a few months ago they submitted the problem to the Department of Justice. I imagine that by now the department has obtained a ruling from the Department of Justice as to whether they were right or wrong in the action they proposed to take last summer.

Would the minister give us more information concerning what has taken place? Would he confirm that my impression is right so far, and indicate what took place last summer along these lines? Would he also state what his intentions are for the future? The minister gave me a categorical answer on April 4, that these changes in the law would in no way bring about taxation on what is known as ordinary photo finishing for the public at large.

Mr. Fleming (Eglinton): Mr. Chairman, during studies made within the last year the Department of National Revenue inquired into the operations of photo finishers, and as a result came to the conclusion that these operations constituted manufacturing under the Excise Tax Act in the strict sense of the word. The department accordingly notified photo finishers that as of a named date they would be required to apply for manufacturers' licences under the act. There followed immediately a series of representations to the department which prompted further technical discussions between the department and the industry.

Meanwhile the Minister of National Revenue suspended the effective date of the department's notice to permit this further investigation to be carried on. Although there are some areas of production in photo finishing concerning which there is little doubt, there are others which might well be debatable, and this is recognized. There is considerable variety in the processes and noticeable differences in the final products. Accordingly it was decided that no action would be taken to require the licensing of photo finishers and the taxation of their products without specific legislation for the purpose, and no such specific legislation is being put forward.

Mr. Howard: Because of the plural reference may I ask if this is to apply only to portraits of one individual or of groups?

Mr. Fleming (Eglinton): Mr. Chairman, the word "individual" appears in the plural in this item. It has reference to as many individuals as may be discernible in any photograph.

Paragraph agreed to.

On paragraph 8.

Mr. Hellyer: I wonder if the minister would explain the reason for the change and indicate whether there is any discrimination between this type of material and other drainage pipe.

Mr. Bell (Carleton): Mr. Chairman, this paragraph of the resolution merely proposes that the words "bituminized fibre" be deleted from the sales tax exemption for perforated drainage pipe not exceeding 4 inches in inside diameter. This kind of drainage pipe is used in some cases in lieu of clay drainage tile. I understand that when the exemption was placed in the act a few years ago the only perforated tile of this dimension was made

from bituminized fibre. It has been brought to the attention of the Minister of Finance that this type of drainage pipe is now being manufactured out of other substances, and consequently the words "bituminized fibre" are being deleted. I am not aware of any discrimination which results.

Mr. Hellyer: I assume from what the parliamentary secretary has said that this applies to a type of tile ordinarily referred to as weeping tile or foundation tile, and that this is a substitute. Is that what the hon. gentleman meant?

Mr. Bell (Carleton): Yes, if it is perforated.

Mr. Herridge: Does this include drainage tile for agricultural purposes? If so, why is the diameter limited to 4 inches? Occasionally it is necessary to use 6 or 8 inch pipe.

Mr. Bell (Carleton): The hon. gentleman will find that covered in another paragraph which refers to drainage tiles for agricultural purposes. That does not have a limitation on the basis of measurement.

Mr. Hellyer: Perhaps this would be a good opportunity to ask the parliamentary secretary whether it would not be advisable at this time to remove the tax from all drainage tile. As the hon. gentleman is no doubt aware, there is a rank case of discrimination in respect to sewer pipes and drainage pipes. I am sure the hon. gentleman will be particularly sympathetic today because earlier this morning his minister said—if I paraphrase him correctly—"I do not think hon. members of this committee would wish to see discrimination existing in the field of excise tax." There is a provision which permits municipalities installing sewer pipe and tile to obtain a rebate, but this unfortunately does not extend to the pipe in other municipalities which require the installation to be done by private individuals and private entrepreneurs. Consequently you have a case of discrimination, because in some municipalities the taxpayers receive the benefit of this abatement while in others operating under a different system the home owners are charged for the tax in the price of their homes.

This is a development that has taken place within the last few years. Previously the municipalities installed all local services under municipal improvement acts of one kind or another, but now they often require the subdividers to install for them sewer tiles which will be used perhaps not only locally by the houses within one area but also in a wider area. You have a dual system. You have a system where pipe installed by municipalities directly is subject to an abatement of the tax, while that installed by private entrepreneurs as agents for the municipality is still subject to the tax.

Would the parliamentary secretary indicate whether the government will permit an enlargement of the tax abatement in this field in order to remove the obvious discrimination which exists at the present time?

Mr. Bell (Carleton): Mr. Chairman, I think the hon. member is going a considerable distance afield from this resolution, which covers only pipe not exceeding 4 inches in inside diameter. I am familiar with the situation to which the hon. gentleman refers. He will appreciate that the exemption which was introduced by this government was introduced for the purpose of providing relief for the municipalities. It was not intended as a relief to private individuals. In the operation and administration within a municipality there may be techniques adopted which do not permit the sales tax exemption to be made available, but the whole purpose has been to make the relief available to municipalities. I think that is about as far as I wish to go at the present time.

Mr. Hellyer: Obviously the parliamentary secretary appreciates the distinction. The same people, the same municipal taxpayers, in one municipality pay tax on the pipe which services their houses and in the neighbouring municipality they do not. This is rank discrimination. In view of what the minister said earlier I think it should be removed.

Whether it should be discussed on this item I would not wish to say categorically, Mr. Chairman, but may I just refer the parliamentary secretary to paragraph 11, where another element of discrimination is introduced. Here septic tanks installed by individuals are not subject to tax, yet where the individual is required by municipal law or regulation to instal a sewage disposal system to accomplish the same purpose he is subject to the tax. There is an obvious case of discrimination and I should like the parliamentary secretary to indicate to the committee whether he would be willing to recommend to his government that they take under immediate consideration, even before this schedule is passed, enlargement of the provision for relief of tax in respect of sewer and drainage tiles.

Mr. Bell (Carleton): The hon. gentleman will realize, of course, that it lies entirely within the power of the municipality to see that the exemption which is provided by the act is in fact effective. This is a matter for administration at the municipal level, and need create no difficulty.

I am aware that many municipalities across the country—indeed the great majority of municipalities—are carrying on subdivisions in such a way that the exemption which is intended for municipalities in fact is fully applicable, and I actually see no difficulty in any municipality so conducting its affairs that the exemption will be in fact applicable. The situation I think is really one of municipal administration rather than legislation by this parliament.

Mr. Hellyer: Partially, Mr. Chairman, but the problem itself is much deeper than that. The problem was created by a fundamental disparity in the division of responsibility and tax revenue among the three levels of government. If it was not for this fundamental problem undoubtedly the municipalities would not have embarked upon what is essentially a method of expediency in the financing of municipal improvements. It was never intended that municipal improvements should be unloaded on individual house builders and purchasers, but that they should be borne by the taxpayers at large. The new system has been forced on them by this lack of solution of the broader problem.

Since we are dealing specifically with the injustice to one group as against another, I wonder if the parliamentary secretary can advise the committee whether mechanics have been worked out whereby relief can be afforded for drainage systems installed by subdividers on behalf of municipalities, where this is required by the subdivision agreement?

Mr. Bell (Carleton): Yes, I think I can say that the municipalities generally have been most ingenious in working out arrangements so that the tax exemption is available.

Mr. Hellyer: I wonder whether the parliamentary secretary would share some of those ingenious techniques with the house some time so that we will at least know how they operate?

Paragraph agreed to.

Paragraph 8 agreed to.

On paragraph 9.

Mr. Benidickson: Mr. Chairman, I am rather glad to see a second cabinet minister present, because I was a little worried over the fact that we might be wasting our time here if we were persuasive and found that we did not have the necessary executive quorum to pass amendments. It would not have been very worth while.

I wonder whether the words in this paragraph mean just what they say. I wonder whether, when we see the bill, there is going to be some restriction of which no notice is given here. This paragraph refers to fur-bearing animals. I presume this means all fur-bearing animals and would not bear the type of restriction that I think has hitherto applied, namely fur-bearing animals whose pelts have commercial value. I think this is the phrase in the schedule. In other words, I hope that when the bill comes down it will include all fur-bearing animals.

Mr. Bell (Carleton): Yes; there is no doubt about that, Mr. Chairman. What is in fact happening is a consolidation of certain items as they appear in the present schedule to the Excise Tax Act.

Mr. Benidickson: So that the present restriction on the feeds themselves, which is restricted to animals whose pelts have commercial value, will be removed in the new schedule?

Mr. Bell (Carleton): Yes.

Mr. Benidickson: I have some difficulty here in finding the item in the farm and forest schedule for feeds and feed supplements generally in agriculture. I know they are there, and of course I should find them in some of the tariff items. The free tariff items are also exempt from the sales tax?

Mr. Bell (Carleton): Yes. If the hon. member will look at the fifth line from the bottom of page 28 of the Excise Tax Act consolidation, he will find stock conditioners, condiments, and feed supplements in addition to poultry, cattle and other stock feeds.

Mr. Benidickson: Yes.

Mr. Herridge: Just one question. Will this exemption also apply to fur-bearing animals which are kept in a zoo?

Mr. Bell (Carleton): Yes, wherever they may be kept. Indeed, it will apply to persons who might be feeding fur-bearing animals in a state of nature.

Paragraph agreed to.

On paragraph 10.

Mr. Benidickson: This paragraph has to do with hardware for doors and sash. Presumably this will include hardware for cupboard doors?

Mr. Bell (Carleton): Yes.

Mr. Benidickson: Whether made on site or not? Hitherto I believe if the hardware was made on site it perhaps was exempt but if made in a factory, prefabricated, it bore tax.

Mr. Bell (Carleton): The hardware made on site in the past has been exempt; if made in a manufacturing establishment it was taxable.

Mr. Hellyer: I do not understand this paragraph. Is the purport of it to remove the tax from the prefabricated sash and door hardware?

Mr. Bell (Carleton): Yes. The situation was that anyone who was buying a door upon which the hardware was installed was getting the hardware free of tax, but if he was buying the hardware separately and then installing it with the door he was paying the tax.

Mr. Hellyer: What will be the situation after the passing of this amendment? We are still not too clear on that.

Mr. Bell (Carleton): What this does is level it out, and they both get the benefit of those items which are specifically exempt.

Mr. Hellyer: By that the parliamentary secretary means that sash and door hardware used in new construction is exempt from tax; is that it?

Mr. Bell (Carleton): No; only if specifically mentioned in the act, Mr. Chairman.

Paragraph agreed to.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Chairman: Shall paragraph 11 carry?

Paragraph agreed to.

On paragraph 12.

Mr. Fleming (Eglinton): Mr. Chairman, as indicated on page 2 of the appendix to *Votes and Proceedings* for Friday, May 6, there is an amendment to this paragraph. Without reading it, perhaps I might just refer the committee to that page where the amendment is set out in full and ask my colleague, the Postmaster General, to move this amendment.

Mr. Hamilton (Notre Dame de Grace): I move:

That paragraph 12 of the Excise Tax Act resolution be deleted and the following substituted therefor:

"12. That the exemption from sales tax for, 'Usual coverings to be used exclusively for covering goods not subject to the consumption or sales tax and materials to be used exclusively in the manufacture of such coverings' be changed to provide an exemption for

(a) usual coverings or usual containers to be used exclusively for covering or containing goods not subject to the consumption or sales tax but not including coverings or containers designed for dispensing goods for sale or designed for repeated use other than

(i) barrels, boxes, baskets, crates and bags for packaging fruits and vegetables,

(ii) boxes and crates for eggs,

(iii) butter and cheese boxes,

(iv) cans and insulated bags for ice cream,

(v) corrugated paper boxes for bread,

(vi) flour bags,

(vii) milk and cream bottles, milk and cream cans;

and

(b) materials to be used exclusively in the manufacture of exempt coverings and containers."

Amendment agreed to.

The Chairman: Shall paragraph 12 as amended carry?

Mr. Benidickson: No, Mr. Chairman, the hon. member for Nickel Belt was rising.

Mr. Godin: I am sorry, Mr. Chairman, I expected that you would read the clause and ask if we were prepared to have it carried. Would the minister tell the committee if oil tanks are exempt as before?

Mr. Fleming (Eglinton): Yes, there is a special exemption in the act now for oil tanks.

Mr. Godin: And that remains?

Mr. Fleming (Eglinton): Yes, this amendment does not affect that.

Mr. Godin: There was no reference to them in the amendment and I gathered that possibly they would still be covered. In the face of this amendment we are brought back to certain matters which we had occasion to discuss this morning with relation to another item. If I ask the minister certain questions and make certain remarks it is with the thought that the amendment now proposed brings about a situation whereby the small home owner will be subjected to additional taxation to satisfy the needs of the Minister of Finance. I have reference particularly to containers for bottled gas which are sold to home owners in many communities for the purpose of heating and operating other facilities in the home. Bottled gas is used in many cases because it is possibly cheaper than electricity or oil, and therefore in this amendment the government is striking directly again at the small home owner. Bottled gas is used by people who can only afford to live in a trailer or a very small home, and if hon. members will travel throughout their constituencies they will realize that that is so. People who have to keep their living costs as low as possible are the ones who use manufactured bottled gas.

There is also the question of discrimination involved in this provision, for the Minister of Finance has just confessed in answer to my question that oil tanks are exempt from taxation. It is obvious from the construction of

this new clause, which was read by the chairman a moment ago, that bottled gas containers are not exempt from taxation and thus people who are trying to keep their living costs at a minimum are now faced with an additional tax. I do not blame the person who sells the bottled gas for adding the additional tax to the price he charges the person purchasing the gas. He has figured that he can provide the gas and equipment at a certain price and therefore he cannot assume the cost of the additional tax imposed by the government without passing it on to the consumer. The reason for the amendment would appear to be that the minister has had a change of mind in the last few months. Undoubtedly the amendment he proposed and which was passed clearly indicates that the minister has had a change of mind. But in no way did he bring about, through his amendment, a solution to the problem of the people in this country who are interested in the manufacture of bottled gas. The reason I say that lies in the section which indicates that the container is exempt only if it is not designed for repeated use. I presume that the container for bottled gas is definitely designed for repeated use. It can be exchanged, and on occasion it is exchanged.

I should like to impress the minister with the fact he should not impose this new tax on home owners since we have already seen a few examples this morning of taxation which affected the home owner. I should like also to bring to his attention representations which I have received from my area, and no doubt other members have also received representations. The notification which these manufacturers received when the Minister of Finance delivered his budget speech was that from that date forward the containers would not be exempted. Undoubtedly publicity was given to that fact and the minister must have received representations which resulted in this amendment of May 6. This would indicate he was trying to satisfy some of the representations, but I fail to see why the minister would decide to satisfy the representations of some people and not others. People have attempted to ascertain the significance the resolution, mentioned in the budget speech and further amended on May 6, would have on their operations.

We find that since April 1 people have been paying a tax on these containers for bottled gas. I should like to ask the minister if those people who have already paid the tax on these containers will have their money refunded. Will he make sure that these people now come under the proper rule which the committee is asked to adopt? People have written to the department and, of course, since the resolution was presented by the Minister of Finance, the department was obligated to inform them that a new tax of 11 per cent had been imposed and these people have been paying this tax. However, on May 6 some people were exempted from the payment and this fact has been confirmed by the amendment which has just been passed by the committee. Those people who had been paying the tax during the month of April were removed from the list of taxpayers and were advised of this fact, indirectly or otherwise. However, the trailer owners and small home owners are faced with a situation where they are told today by the Minister of Finance that they must continue to pay this additional tax of 11 per cent.

There is a company in Sudbury known as the Sudbury Bottled Gas Company, and after having been advised by the company in Hamilton that the tax had to be paid they were worried about what would happen today. I am asking the Minister of Finance if he will not take a second look at this situation and be prepared to make sure that this one group of citizens is not called upon to bear heavier burdens than others in similar businesses, those selling oil and oil furnaces. Recently I received a letter which I believe would give a much clearer picture of the situation than I could give. It was written by the owner of this company I just mentioned, Mr. John Martin, and is addressed to me. I should like to make reference to at least some of the paragraphs, but not take the time of the committee by reading it in full. The letter reads in part as follows:

> Just because the government in power requires revenue, it does not justify a form of legal extortion in the sense of a piece of legislation or otherwise, to acquire this revenue.
>
> I feel very strongly about this subject and as a small business operation, the ramification from this piece of legislation, which I understand is not in this year's budget, but which is in effect, from the letter that I provided you with, is allowed to continue, it is going to deal a severe blow to the home heating, cooking, hot water, and domestic industry.

Mr. Martin makes a further reference to the fact that the people interested in oil services are obtaining these oil tanks free of tax as a result of the amendment which was suggested on May 6. It would seem to me, therefore, that there must be an explanation the minister could give which would help members of this committee in understanding why certain citizens are being taxed in certain businesses and not in others. Furthermore, I should like to inform the minister that the people who are paying this tax levied on bottled gas are the consumers. Reference has been made on several occasions lately to the fact that the consumer is the person who will furnish the revenue resulting from this tax. Surely if the government requires

this money there must be a medium by which they can obtain it and whereby the consumer and the small home owner will not be the ones who furnish it. There must be a more equitable system by which certain moneys can be obtained than by having the burden rest solely on the shoulders of the persons to whom this amendment refers. I trust the minister will immediately give a clear-cut explanation for the discrimination that exists under this section.

Mr. Fleming (Eglinton): Mr. Chairman, this proposed amendment to the act does not create discrimination. On the contrary, it removes it. It does none of the things the hon. gentleman has said of it. I am afraid the hon. member has been guilty of some gross exaggeration in what he has had to say.

In the first place, the Excise Tax Act applies a tax, the sales tax, generally to all commodities. Then the scheme of the act contemplates certain named exemptions set out in certain schedules to the act. If there is to be an exemption, therefore, it must be found in explicit terms in the schedule to the act. This has been the scheme of this act from the outset. It has been the policy of parliament to write certain specific exemptions into the act, such as, many food products, building materials and other commodities, in the case of which parliament thought there was some special reason for exempting them from a tax that is otherwise of completely general application.

Now the question concerns coverings, the usual coverings on goods that are exempt. What is to happen to those? Obviously the principle that ought to be followed there is to determine whether the covering is one that finds its end use with the sale of the particular exempt commodity or whether, on the other hand, it is a covering that goes back to the supplier and is then used in future sales. In other words, is it a case of a covering like, we will say, the cardboard cover or the cellophane cover on a box of corn flakes or is it a container that is capable of further use, one that goes back to the producer or supplier for repeated use? Obviously there is no reason why coverings that are capable of repeated use should, in principle, be exempt from a general tax. That has been the principle that has been given broad recognition in this act for many years now.

In the experience of the Department of National Revenue which is charged with the responsibility for administration and enforcement of this provision difficulties have arisen. There have been many cases in which it appears that attempts have been made to extend the area of exemption in cases where there is no proper case for exemption. This provision was introduced with a view to meeting that situation. It is a provision that is necessary in order to block what were found to be certain loopholes and to remove discriminations; and it is in keeping with the principle that has been recognized by the act, as I believe, ever since its inception.

Mention has been made of the fact that the original resolution itself has been amended. Yes, Mr. Chairman; it has been amended, again in the interests of clarification and in certain clear cases to put beyond all question the exemption that exists. I would therefore point out that the amendment that has just been adopted by the committee is one which is relieving in its effect. If you will note what the amendment does you will find that it applies this exemption to what are called the usual coverings of foods. You have the covering for fruits and vegetables, eggs, butter and cheese, ice cream, bread, milk and cream bottles, milk and cream cans.

Mr. Godin: They were all exempt previously.

Mr. Fleming (Eglinton): The purpose there is to make it quite clear that what are the usual coverings of these particular foods are to retain that exemption. The hon. member now goes further and raises the case of the coverings of propane gas. Let me make it perfectly clear that here there is nothing that proposes to apply the sales tax to any covering for propane gas that comes into use in a particular sale. The sales tax under this provision will apply in relation to propane gas and apply only in the case of cylinders which contain propane gas which are used in the sale and then go back to the supplier and are capable of being used over and over again. I submit that, having regard to the application of the sales tax to all other manner of coverings that are capable of and intended to be for repeated use, there is no reason at all why there should be an exemption in the case of these cylinders that contain propane gas.

The hon. member pictures this provision as doing some harm to the home owner. Mr. Chairman, that is an unrecognizable exaggeration. If the home owner purchases propane gas in containers that are not returned for repeated use on the part of the suppliers, then the sales tax has no application to that covering whatsoever. But if the purchase is made in larger quantities that call for the use of a cylinder to contain the gas and that cylinder is the kind that goes back and is used over and over again, perhaps 50 times or 100 times, then I say it is not in keeping with the principle of the act that that cylinder in its repeated use should be exempt from the sales tax.

This is a fair proposal. It is a proposal that is in keeping with the general principle of the act. I think it is a most far fetched plea to say that this has something to do with the cost of homes or is somehow related to the home owner. Mr. Chairman, this is a tax that applies on all suppliers who use that particular cylinder over and over again.

We are being asked to assume that this is going to create an imposition on the home owner. Mr. Chairman, can you take seriously the suggestion that the application of the sales tax on that particular article is going to create an increase in cost to the home owner when that article is used over and over again, perhaps 50, 100 or 150 times? To use the case of a home owner in order to mount an attack on this provision is surely the most far fetched resort to oratory that we can well imagine in this situation.

This is a necessary clarifying provision, a provision that is in keeping with the principle of this act, a principle that has been recognized for many years.

Mr. Pickersgill: I rise on a question of privilege. I wonder whether the Minister of Finance would permit me just to interrupt proceedings for a minute or two in order to ask the leader of the house whether it would be convenient to the government to take the estimates of the Post Office Department instead of those of the Department of Transport at four o'clock?

Mr. Churchill: I think that arrangement would be quite satisfactory. I believe the various parties in the house have been informed of the change suggested by the hon. member. The government is quite prepared to go along with that idea.

Mr. Herridge: Speaking on behalf of this group, in order to indicate our willingness always to co-operate to suit the convenience of hon. gentlemen of the opposition, may I say that we are pleased to agree with the suggestion.

Mr. Pickersgill: I thank the house leader.

Mr. Regier: I must apologize to the minister for arriving a little bit late. He may have answered the point that I wish to raise. I listened carefully to the representations made by the hon. member for Nickel Belt. However, this exemption has caused a great deal of confusion over a good number of years. I remember receiving representations as far back as six years ago, especially from manufacturers of containers that are used in the small fruits industry and of containers used by those who produce our vegetables. The amendment calls for these containers to be taxable unless they are delivered and sold with the goods.

Mr. Fleming (Eglinton): I do not wish to interrupt the hon. member. He indicated that he came in late. He may not be aware of the fact that the committee has already adopted an amendment that makes perfectly clear the exemption in favour of barrels, boxes, baskets, crates and bags for packaging fruits and vegetables.

Mr. Benidickson: I want to raise a point of order. It is not my understanding that we have passed the amendment. We have received the amendment.

Mr. Fleming (Eglinton): The amendment was passed. The hon. member for Nickel Belt was speaking on the paragraph as amended but the amendment that was introduced by the Postmaster General at my request has been adopted.

Mr. Benidickson: Oh, yes.

Mr. Fleming (Eglinton): What is being discussed now is the clause as amended—

Mr. Benidickson: As amended, yes.

Mr. Fleming (Eglinton): —or paragraph 12 as amended.

Mr. Regier: I want to be clear on this matter. Does that mean that wooden or cardboard containers for fruits and vegetables will not be liable to taxation even though they may be returned and used over and over again?

Mr. Fleming (Eglinton): Yes.

Mr. Godin: The minister states that this is not a new principle, and that it has been in existence for a long time. It is my contention that this is something new. The bottled gas operators were not paying excise tax on the container before they were advised in the budget speech that they would be doing so according to the new resolution then mentioned on March 31 which has now been amended.

Mr. Benidickson: It is new taxation.

Mr. Godin: By so stating the minister forces me to read further from this letter which I was endeavouring to abbreviate.

Mr. Fleming (Eglinton): Let me give all assistance to the hon. member's desire to abbreviate. Let me say at once that I was speaking about the principle of the act. What we have dealt with here is an anomaly. What the hon. member is referring to is an anomalous situation in the light of the act and we are in the amendment as proposed in the resolution, following a course which

is in keeping with the principle of the act and which will eliminate what was an anomaly. There should not have been an exemption in that case. It is a highly discriminatory situation if that were a permitted exemption. I was speaking of the principle of this act. An anomaly did exist. This provision will eliminate that anomaly and vindicate the principle which applies generally.

Mr. Godin: The Minister of Finance must have a new definition of "anomaly" because I do not see any way in which the government can suggest that an oil tank purchased from an oil dealer should be regarded differently from the circumstances which arise when a home owner goes to a propane bottling firm and purchases the equipment required to service propane gas. If the container cost $40 he would pay $45 because the man furnishing the service would have to ascertain that he has purchased a sufficient number of containers to satisfy the number of new customers.

Therefore, a home owner will pay on the installation of the service of propane gas an additional tax of 11 per cent on the container, whereas a person who instals an oil system will not pay a 11 per cent tax on the oil tank which the supplier will furnish on the purchase of the oil heating system. This is discrimination. The minister said he intends to do away with discrimination but, in fact, he has only created discrimination in the administration of this exemption which previously put both suppliers on an even footing. Today they find they are in different positions.

Now that the minister has made the proposition he has I will read a letter which a certain firm had mimeographed and sent to the bottlers of propane gas so they would know about the 11 per cent tax which would be added to the cost of the containers, a tax which is borne by the home owner, and I have heard no one say to the contrary in this house. This letter is from Engineering Products of Canada Limited, it is addressed to the Sudbury Bottled Gas Company and is dated May 26, 1960. It reads:

> Reference is made to your letter of May 19, 1960, in which you advise you were "shocked" at the addition of 11 per cent F.S.T. to the basic price of your cylinders.
>
> Enclosed please find a photostatic copy of a letter from the customs and excise branch of the federal government. After reading same and a covering letter we are sending to all our customers, you will realize the matter is beyond our control.

This firm went to the expense of having a mimeographed letter prepared to be sent to all the persons with whom they had dealings. It continues:

> Numerous representations have been made to the government. However, last week a delegation was turned down flat, with the result the 11 per cent F.S.T. is here to stay.
>
> The next time you have a talk with your friend Mr. John Diefenbaker you can discuss it in detail with him, and with your forceful nature and argumentative capabilities you might be able to have him rescind it. Sorry John, but we have no other option than charge this sales tax on all cylinders we sell.

This person who was inquiring about the situation in the area in which he is trying to furnish this service finds that the people who are dealing with oil heating equipment obtain their containers for the oil which they have to sell upon the installation of the service free of tax. Against that we have no quarrel, and I am sure that Mr. John Martin, to whom the letter I read was addressed, and who has made representations to myself and to the government on this matter, has no quarrel with the fact that other people are exempt from tax. But he certainly has a complaint against the government on the ground that the government discriminates against him. I must go on to read a few more paragraphs of the letter from the Sudbury Bottled Gas Company which I was endeavouring to abbreviate a few minutes ago.

> I would like to further quote that the Milne Steel Fabricating Company, Hamilton, Ontario are selling to Groom-Callahan Wholesale Hardware and distributors in the Sudbury area, 200 gallon oil tanks which are parallel to our propane tanks and are used almost identically for the same purpose as our propane tanks are.
>
> On May 16, 1960, Groom-Callahan made a purchase of oil tanks and there was no 11 per cent sales tax levied. This would indicate to me that there is direct discrimination against our industry and which I request you, Mr. Godin, and authorize you, on my behalf, that I personally charge the government with the responsibility of not running the affairs of this country properly.
>
> Could it be possible that there is some pressure or collusion, and this is only a suggestion, that the natural gas is putting the pressure on? I am sure that you will use your good offices to convey this message to the Prime Minister and those concerned.

I am pleased to have the opportunity to make representations which I have been asked to make with regard to this matter. Judging by these letters I believe the complaints must be numerous, and that discrimination exists. I am sure Mr. Martin has no quarrel against Groom-Callahan for not having to pay excise tax on the oil tanks. Surely, however, it is obvious to all hon. members that the Minister of Finance should try to find a way of giving similar treatment to similar types of business. It seems to me that once again this government is found lacking in that it has loaded additional taxes on consumers in one sphere only, to provide for we do not know what.

Undoubtedly it was the intention of the minister to do away with an exemption which

existed. Then came about the volte face of May 6, to which I referred this morning, when an effort was made by the minister to patch up some of the mistakes made in his budget resolutions on March 21. Those were not good enough, and I say the Minister of Finance should reconsider the position of the government and not burden the consumer with this additional tax which discriminates against businesses of great similarity.

Mr. Fleming (Eglinton): The hon. member must be a master of exaggeration. He has undertaken to put an interpretation on this particular resolution which bears no resemblance to the facts. He is talking about discrimination, and he uses the yardstick of fuel oil tanks. The schedule to the act makes a specific provision in relation to fuel oil tanks. The exemption is written in these words:

> Fuel oil tanks where used for furnaces for the heating of buildings and connected directly to such furnaces.

It will be seen at once that the gist of that exemption is that the fuel oil tank is installed in the house, and it stays there. This exemption does not apply to a container in which fuel oil is delivered to the home and taken away again for repeated use. What we are talking about here is the matter of coverings of goods. The hon. member has not at all followed or attempted to follow, evidently, the clear principle that is inscribed in the act in this regard. What we are talking about are coverings on the one hand which come to their end use with the delivery of the goods and on the other hand coverings that, after delivery, are returned to the supplier and used over and over again in the case of future deliveries.

The fuel oil tank is a very clear case of the first category, namely the delivery and the end use, and there is only one purchase by the home owner. The fuel tank is installed and that is the end of the matter. It is not a case of the fuel tank going back to the supplier of the fuel oil every time it is empty. The other case is that of the cylinder in which gas is delivered and if that cylinder is capable of repeated use and after delivery of the gas the cylinder is returned to the supplier and then used by him over and over again, the exemption should not apply.

If the gas is delivered in a container which meets its end use with that particular delivery and is not returned then the exemption applies. That is the principle of the act. It is a clear principle and the present resolution is completely in accord with that principle. What the hon. gentleman has cited is not a situation that indicates discrimination raised by this new resolution. He has pointed very clearly to the reason for the anomaly that existed in the case of certain of these cylinders that were being used, returned to the supplier and used over and over again. The hon. gentleman has pointed out why that anomaly crept in. It is completely out of accord with the principle of this act in relation to the taxation on coverings.

Mr. Benidickson: Mr. Chairman, surely the act speaks for itself. This section has been in the act in specific language for some considerable time. The minister is confusing the anomalies and the principles he has in mind as a new minister with what he thinks he wants to propose for the first time in connection with a method of taxation. The point is that this article did not bear taxation under the law as it existed under the previous administration. The minister has new ideas and wants to bring into taxation for the first time articles of this kind. The exemption was written into the act. It is found in the appendix and reads as follows:

> Usual coverings to be used exclusively for covering goods not subject to the consumption or sales tax and materials to be used exclusively in the manufacture of such coverings.

The principle is that natural gas, electricity and these heating elements are commodities that were not subject to the consumption tax under the law and the minister wants now to change it so these commodities will bear tax. This is a new tax on this type of article.

The language of the act has been tested. It is my understanding that there was a recent case of appeal to the tariff board. It was made quite clear by the tariff board which looked upon the language of the statute judicially that the language was clear and plain as presented by the previous administration. The minister now proposes to change it and what we have is a new tax.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member must have been reading from different reasons for judgment on the part of the tariff board than those which other people read because the tariff board did not find it at all clear. It found it a very difficult provision because the present provision is so lacking in clarity and has opened loopholes for anomalies such as the one that has been pointed out. The need for amendment of it has become quite clear.

Mr. Godin: Perhaps I do not understand the wording or perhaps the minister is not clear in his understanding of it. The test of the resolution is not the one the minister suggested and I do not think the courts would support the view he advances. The test is to be found in the words "designed for repeated use".

It is all very well to say that bottled gas containers are returned to the company for repeated use but in what way does that alter the position of the home owner? When he makes a contract with a propane gas company he must pay the cost of the first container and will therefore be subject to the payment of the 11 per cent tax on the article. Under the new resolution the home owner will have to pay the 11 per cent tax if he is a bottle gas user whereas another person with other equipment may be free of tax.

Mr. Fleming (Eglinton): Mr. Chairman, I am afraid I am not capable of making this any plainer. If hon. gentlemen opposite persist in misreading the effect of this I am afraid I cannot do anything about it. The language of the amendment clearly contains the expression "designed for repeated use". That is the principle. I have repeated that several times. I do not wish to waste the committee's time by trying to clarify this through further repetition. I will merely draw the hon. member's attention to these words which contain the gist of the test.

The hon. member talks about the home owner bearing the burden of the tax. It is not without significance that the letter the hon. gentleman read and which undertook to apply strictures against the government was a letter not written out of solicitude for the home owner but a letter as between the manufacturer of the cylinder and the company that sells the propane gas. To take that and make out of it an argument that this is going to hurt the home owner is to indulge in an improper application of imagination to the situation. To say that in the sale of these coverings a sales tax is not to be applied in keeping with the application of sales tax to all other coverings of similar nature and to say that this is going to create some liability on the part of the home owner is to fly in the teeth of the facts.

The cylinder is acquired by the supplier of the propane gas. It is going to be used again and again. That is the essence of the matter. To say that this is going to place an 11 per cent tax on the home owner is surely overtaxing the credence and the imagination of any hon. member of this committee.

Mr. Godin: What about the milk cans we use?

Mr. Fleming (Eglinton): The case is quite clear there. There is a specific exemption in the case of the coverings of food. Surely that is very clear. The committee has already recognized that in adopting the amendment to the resolution. To say that this is going to affect the home owner when it is a matter between the supplier of the cylinder and the company that sells the propane gas and to make out of that a suggestion that there is going to be some burden thrown on the home owner is overtaxing the imagination of any of us.

Paragraph as amended agreed to.

On paragraph 13.

Mr. Benidickson: Would the minister give us an explanation of this. I know the hon. gentleman offered an explanation on budget night but I find it difficult on reading the language of the amendment to determine if it is accomplishing what the minister said was his intention. On March 31, 1960, as reported at page 2683 of *Hansard* the minister said:

> In order to avoid the possibility of misunderstanding I shall mention a comparatively minor amendment intended to prevent private individuals who purchase yachts from avoiding the imposition of sales tax in respect of the materials that are included. This will not affect the commercial shipyards, which will continue as before to purchase materials for the construction of ships free of sales tax under licence.

I have received correspondence from some ship architects and they point out that as one reads this proposed change it would appear that the word "construction" is taken out and if a ship of over ten tons is to be constructed, it would appear that it no longer would enjoy the benefit of the sales tax exemption which has hitherto been in the appendix.

Mr. Fleming (Eglinton): I mentioned this particular proposal specifically in the budget speech because I hoped thereby to avoid misunderstanding. It is not that the item itself is intrinsically so important as to warrant special mention, but it was simply a matter of avoiding a possible misunderstanding pending the period when in this committee any necessary explanation might be given.

This paragraph of the resolution proposes that the word "construction" be deleted from the present exemption. This is intended for purposes of clarification and to obviate attempts by individuals to have private yachts built on a sales tax exempt basis and thus obtain an unintended relief from the tax.

The word "construction" in the exemption is not necessary for the shipbuilder, as he can always use his manufacturer's licence to purchase materials and equipment entering into the manufacture of his vessels on a tax free basis. However, the wording of the exemption played into the hands of the individual who wanted to build a pleasure craft for his own use. The word "construction" in the exemption enabled that individual to purchase materials without payment of the tax and then turn them over to a shipbuilder who would custom build the ship for him, thus avoiding payment of the tax on the

materials as well as on the finished craft. If the same individual bought a finished craft from the builder he would pay sales tax on his entire purchase, namely on the completed vessel.

The amended exemption will not affect the sales tax status of ships built in Canada and purchased by non-residents; they would still be exempt from sales tax as exports.

The exemption from sales tax for "boats bona fide purchased by fishermen for use in fisheries, and articles and materials to be used exclusively in the manufacture, equipment or repair of such boats" is not being changed. In other words, Mr. Chairman, to sumarize, so far as the interests of fishermen are concerned, there will be no change created by this proposed amendment. In the case of bona fide shipbuilders there is no change, but this paragraph of the resolution will block a loophole of which some persons have made use.

Paragraph agreed to.

Mr. Fleming (Eglinton): At this point may I ask my colleague the Minister of Mines and Technical Surveys to introduce the amendment which I indicated on May 6 and which appears on page 2 of the appendix to *Votes and Proceedings* of that day. It is to insert a new paragraph 14, and to number the subsequent paragraphs of the resolution accordingly. It is to introduce a new exemption.

Mr. Comtois: I move:

That the Excise Tax Act resolution be amended by inserting a new paragraph immediately following paragraph 13 thereof to read as follows:

"14. That drainage, waste and vent copper tubing from two inches to six inches in diameter, with a wall thickness from .040 to .083 of an inch, for non-pressure applications, and fittings therefor, be exempt from sales tax."

and that the subsequent paragraphs of the resolution be renumbered accordingly.

Mr. Benidickson: Will the minister give an explanation, perhaps indicating the common use of this material.

Mr. Fleming (Eglinton): This new paragraph proposes that copper tube or pipe and fittings thereof sold for use as waste and drain pipes and for providing a vent in plumbing fixtures be made exempt from sales tax. This kind of copper tube or pipe is an alternative to cast iron soil pipe in plumbing installations in buildings. Cast iron soil pipe has been exempt from sales tax from the time the exemption was first introduced for building materials. In recent years copper has replaced cast iron soil pipe to a large extent, and the proposed amendment recognizes changing techniques and use of materials in the building industry.

[Mr. Fleming (Eglinton).]

Therefore, Mr. Chairman, this, I think, can be looked upon as a matter of removing the discrimination that exists now in the light of changing use. I think the committee will realize now that having regard to the extension of the use of copper pipe this type of installation should enjoy the same kind of tax treatment as the cast iron soil pipe in plumbing installations.

Amendment agreed to.

Paragraph 14, renumbered 15, agreed to.

Paragraph 15, renumbered 16, agreed to.

Resolution reported and concurred in.

CUSTOMS TARIFF

1. Resolved, that subsection (1) of section 2 of the Customs Tariff be amended by adding thereto the following definitions:

"man-made fibre" means a staple fibre of filament produced by manufacturing processes, wholly or in part of organic polymers, but does not include rubber; and

"sliver" means fibres in a continuous strand, combed or not, not twisted and not exceeding twelve inches in length, and includes tops.

Resolution agreed to.

Mr. Benidickson: Mr. Chairman, is it the intention to call the individual items?

Mr. Fleming (Eglinton): If the individual items are called I daresay there will be a lot of calling. I do not think that has been the practice in times past. We shall do just whatever the committee wishes. There are, however, seven resolutions involved here. We are not dealing with seven paragraphs of one resolution, Mr. Chairman, but with seven different resolutions. What I suggest, Mr. Chairman, is that the individual resolutions be called in the order in which they appear here. When you come to some of the individual resolutions which apply to a considerable number of tariff items, perhaps it would suffice to call the page in the printed pamphlet of ways and means resolutions. I doubt whether it will be necessary to call each individual item.

Mr. Benidickson: I recall that in the past the chairman went down quickly and recited the item number. Perhaps it will be sufficient to call the page number. We will try it. Will you call page 9, which is part of resolution No. 2?

The Chairman: Resolution No. 1 is carried.

Mr. Benidickson: Will you call page 9?

The Chairman: Yes.

Mr. Benidickson: First of all, in connection with this fairly large package, will the minister indicate which of the items which are being changed were negotiated through GATT in the GATT tariffs in order to adjust the textile

tariffs? Perhaps he might indicate to the committee which of the items concerned which involve concessions in those negotiations are of relative importance and which have some monetary importance in the pattern of volume of imports.

Mr. Fleming (Eglinton): Resolution No. 2 contains what might be described as the textile package. By this I mean that it contains the tariff changes required to implement the various tariff board reports on textiles to which I referred in the budget speech. It also contains other changes resulting from the textile negotiations, to which the hon. member referred.

As I mentioned in the budget speech, the revised textile schedule recommended by the board involved both increases and reductions in duty. However, the increases, of which the most important relates to coloured cotton fabrics, somewhat overbalance the decreases. Hence in order to conclude renegotiation of our commitments under GATT, for most of the items in question were bound under GATT, we found it necessary to reduce about a score of Canadian tariff rates on items outside the textile field. To the extent that the Canadian textile industry is on balance receiving some additional protection as recommended by the tariff board, this is being matched by reductions in other fields. In other words, that was the compensation that had to be given to the other countries to obtain their agreement to the increases under the provisions of GATT.

As I indicated in the budget speech, some of these reductions were requested by Canadian industry while others involved small reductions from relatively high rates of duty and in these cases it is not thought that the reductions should materially damage the industries affected. When the hon. member asks me how many of these items are affected by GATT, the answer is most of them, practically all of them.

Mr. Benidickson: I was also curious as to which of the many items might have the greatest importance, that is, would involve a greater amount of trade. Am I right in thinking that on this page, by way of an example of tariff reduction, item 187e, which deals with negative film for 16 millimetre motion picture cameras, might perhaps be an important item of import from the United States, would it be?

Mr. Fleming (Eglinton): That is not regarded as a very large item. Imports come mostly from the United States, but it is not regarded as a very large item.

Mr. Benidickson: It is several months since the minister gave notice of his intention to reduce the most favoured nation tariff from 20 per cent to 15 per cent. Have his officers reported to him any change in retail prices?

Mr. Fleming (Eglinton): No, Mr. Chairman.

Mr. Benidickson: When I looked at item 236 on this page I could not see any reason for it appearing here and I wonder what the change is that brings it into the schedule.

Mr. Fleming (Eglinton): The wording of this item is amended by this clause to remove its application to certain materials which are dealt with in another clause. There is no change in the rate. It is simply a change in the wording of the item to narrow its application. The goods that were previously included in it and are now excluded are dealt with in item 522(8). There is an amendment to this resolution with reference to item 410o appearing on page 10.

The Chairman: Order. Before the minister puts the amendment may I ask the committee whether page 9 is agreed to?

Some hon. Members: Agreed.

Items 66b, 142, 160, 187e, 199m, 225c, 236, 343 and 347e agreed to.

Customs tariff—410o. (iii) Mine roof and wall supports and support systems, of metal, including yielding props or chocks, for use underground in mines; parts of the foregoing: British preferential tariff, free; most-favoured-nation tariff, 12½ per cent; general tariff, 35 per cent.

Mr. Fleming (Eglinton): Mr. Chairman this is one of the amendments of which I gave notice on May 6. I would ask my colleague the Minister of Mines and Technical Surveys, to move this amendment to resolution No. 2 as applied to item 410o.

Mr. Comtois: I move:

That resolution No. 2 of the budget resolutions relating to the Customs Tariff be amended by deleting item 410o (iii) and by substituting therefor the folowing:

410o (iii) Mine roof and wall supports and support systems, of metal, including yielding props or chocks, but not including roof bolts or washers or nuts therefor, for use underground in mines; parts of the foregoing: British preferential tariff, free; most-favoured-nation tariff, 12½ per cent; general tariff, 35 per cent.

Mr. Benidickson: Mr. Chairman, I commended the minister yesterday for the practice of having the amendments to the budget resolutions printed as an appendix to *Votes and Proceedings* as soon as he found it was possible to do so and had decided it was necessary to make amendments. I would also commend him for including a brief explanation as to the reason for this amendment

but I must say that the explanation given does not seem to be completely satisfactory. It reads:

The proposed change in wording is for purposes of clarification.

As I come from a mining district I wonder whether it is not more than that because I would think that the amendment is considerably less attractive than the original proposal. New words are inserted in the amendment which are restrictive, namely "but not including roof bolts or washers or nuts therefor".

Mr. Fleming (Eglinton): It was never intended that the item should include the material to which the hon. member has referred, and this is simply a clarification.

Mr. Benidickson: Mr. Chairman, this whole resolution deals with items in the tariff that are bound by GATT. How much flexibility has the minister in making amendments with respect to items that are related to GATT? He indicated to the house on budget night that certain trading had been done and he was able to bring in a new schedule in connection with quite a number of items. He now proposes to amend some of those items. What flexibility and freedom has he in a trading matter of this kind?

Mr. Fleming (Eglinton): I take it that the hon. member is asking about future negotiations?

Mr. Benidickson: No, I am saying that the minister indicated that practically all these items are items that needed to be changed because of adjustments that had to be made in compensation for requests that the Canadian government made with respect to textile items that were bound by GATT. The minister reported to the house on budget night that he was now in a position to bring in these amendments and that they represented the result of a fair amount of negotiation. Since then the minister has introduced amendments to some of these items and I am wondering how much freedom he has in amending and whether he has to go back to the GATT country before he can bring in such an amendment?

Mr. Fleming (Eglinton): In this particular case it was the government of the United Kingdom that was concerned. We consulted with them with respect to this further amendment and they have indicated that so far as they are concerned there is no material difference between the amended item and the one introduced on budget night. Therefore I can indicate to the committee that, where negotiations between Canada and another country in whose favour a particular item is bound result in some agreement which is reflected in a resolution designed to bring about a change in the tariff, if there is any modification of that proposal raised between budget night and the time of presentation it in turn is made a matter of consultation with the country concerned.

Mr. Pearson: You go back to the chief supplier and try to get agreement?

Mr. Fleming (Eglinton): We go back to the country in whose favour the item was bound and with whom negotiations had been carried on relating to compensation being offered under GATT.

Mr. Benidickson: Some of the items give me some concern, when I cannot find immediately any change in the situation or in the wording which is obvious. I refer to item 463a. I do not notice any apparent change or reason for the presentation of the amendment.

The Chairman: Do I understand that the amendment has been agreed to?

Mr. Benidickson: I thought we were dealing with the item on page 10, Mr. Chairman.

The Chairman: I wanted to dispose of the amendment. Shall the amendment carry?

Amendment agreed to.

Item 410o as amended agreed to.

Mr. Fleming (Eglinton): It is not new to have in the tariff resolutions a provision that does not appear on the face of it to create any change at all. This has been true of budget resolutions respecting the tariff, I suppose, for many years. In these cases, and certainly in the case referred to by the hon. member, item 463a, the explanation is that there is a change in the wording of the item. There is no change in the rate, but there is a change in the wording of the item. In this particular case the change applies to the last four lines of the item and the next item. Item 463c is the item which carries out the effect of the change made in the wording of item 463a.

Mr. Benidickson: My recollection was that if there was a change in wording one could usually find the letters italicized.

Mr. Fleming (Eglinton): That is true where words are added, but not where words are dropped.

Items 414a, 414e, 463a, 463c, 465a, 465b, 505f and 520a agreed to.

The Chairman: Shall we deal with page 11?

Items 520b, 521 and 522 agreed to.

The Chairman: Shall we deal with page 12?

Customs tariff—523a. Clothing, wearing apparel and other articles, made from woven fabrics wholly of cotton: all textile manufactures, wholly or partially manufactured, the component fibre of which is wholly cotton, n.o.p.: British preferential tariff, 25 per cent; most-favoured-nation tariff, 25 per cent; general tariff, 35 per cent.

Mr. Benidickson: I wonder, with respect to 523a, if the minister would give some indication of the amounts of imports there have been under this item?

Mr. Fleming (Eglinton): The imports in 1959 totalled $29 million.

Item agreed to.

Item 523b agreed to.

The Chairman: Shall we deal with page 13?

Mr. Fleming (Eglinton): On page 13, there is an amendment to item 531b, and I would ask my colleague the Minister of Mines and Technical Surveys if he would move this amendment, which is another of those of which notice was given on May 6.

Mr. Comtois: I move:

That resolution No. 2 of the budget resolutions relating to the Customs Tariff be amended by deleting item 531b and by substituting therefor the following:

531b. Rovings and yarns, wholly or in part of wool, or in part of hair, n.o.p.: British preferential tariff, 7½ per cent; and, per pound, 7 cents; most-favoured-nation tariff, 12½ per cent; and, per pound, 17 cents; general tariff, 22½ per cent; and per pound, 22½ cents.

The Chairman: Shall the amendment carry?

Amendment agreed to.

Customs tariff—524. Woven fabrics, open mesh, wholly or in chief part by weight of cotton, imported for use in the manufacture of fruit or vegetable bags: British preferential tariff, free; most-favoured-nation tariff, free; general tariff, free.

Mr. Benidickson: With respect to item 524, would the minister give an explanation of what is involved here in so far as the change is concerned?

Mr. Fleming (Eglinton): Item 524, Mr. Chairman, provides for the importation of open mesh cotton fabrics used to make fruit and vegetable bags free of duty under both the British preferential and most-favoured-nation tariffs. This is in accordance with a recommendation of the tariff board and it replaces item 844. The is no change in the rate of duty.

Item agreed to.

Items 530a, 530b, 530c, 530d, 531a, 531b, as amended, 531c, 531d and 532d agreed to.

The Chairman: Shall we deal with page 14?

Mr. Benidickson: On page 14, item 532e, what would the rate be if the material were used for interlining?

Mr. Fleming (Eglinton): That would depend entirely on the kind of fabric used in the interlining. The various types of fabric each have their own appropriate rates. It would be necessary to know, in any particular case, what was the nature of the fabric.

Items 532e, 550, 551a, 551b, agreed to.

Customs tariff—552a. Woven fabrics, more than 50 per cent by weight, of silk, not containing wool or hair: British preferential tariff, 12½ per cent; most-favoured-nation tariff, 22½ per cent; general tariff, 45 per cent.

Mr. Benidickson: In so far as the silk item, 552a is concerned, what country is the principal supplier?

Mr. Fleming (Eglinton): That is 552a, silk fabrics?

Mr. Benidickson: Yes.

Mr. Fleming (Eglinton): The two principal suppliers are Japan and the United States.

Item agreed to.

Items 552b and 553 agreed to.

The Chairman: Shall we deal with page 15?

Mr. Fleming (Eglinton): On page 15, there is an amendment to item 560c. I would ask my colleague, the Minister of Mines and Technical Surveys, if he would move this amendment. It is another of which notice was given on May 6.

Mr. Comtois: I move:

That Resolution No. 2 of the budget resolutions relating to the Customs Tariff be amended by deleting item 560c and by substituting therefor the following:

560c—Man-made filaments or glass filaments imported for converting into lengths not exceeding 12 inches, for use in the manufacture of textile yarns or flock: British preferential tariff, 5 per cent; most-favoured-nation tariff, 12½ per cent; general tariff, 15 per cent.

560e—Man-made filaments imported for use in the manufacture of cigarette filter tips: British preferential tariff, 5 per cent; most-favoured-nation tariff, 12½ per cent; general tariff, 15 per cent.

The Chairman: Shall the amendment carry?

Amendment agreed to.

Item as amended agreed to.

Items 553, 559a, 559b, 559c, 559d, 559e, 559f, agreed to.

Customs tariff—560a. Man-made fibres or glass fibres, not exceeding 12 inches in length: British preferential tariff, 5 per cent; most-favoured-nation tariff, 12½ per cent; general tariff, 15 per cent.

Mr. Benidickson: I believe the minister has not followed, with respect to item 560a the recommendation of the tariff board. This is

rather intricate work and there may be other departures from recommendations of the tariff board. Perhaps the minister would be kind enough to draw to the committee's attention the other departures that I may have missed, and perhaps he would give us an explanation of this item.

Mr. Fleming (Eglinton): The change is purely technical and it is not in the rates. It became recognized by Canadian industry, following the release of the report of the tariff board, that the wording recommended by the tariff board should be amended by the deletion of the words, "not containing wool or hair", and by subdividing the recommended item as listed.

Mr. Benidickson: I wonder if we are talking about the same item? I thought with respect to item 560a the tariff board had recommended a rate of 7½ per cent British preferential and 12 per cent most-favoured-nation. I see the rate for British preferential is 5 per cent.

Mr. Fleming (Eglinton): In connection with the last item on the page, 560d, there is a departure of substance from the tariff board recommendation.

The former rates under item 557c were free British preferential and 7½ per cent most-favoured-nation. The tariff board recommended an increase of 5 per cent in both rates. As a concession to Canadian carpet manufacturers and also in order to facilitate renegotiation of the textile package, as I have called it, an increase of only 2½ per cent was decided upon instead of the 5 per cent recommended by the tariff board.

The Chairman: Shall page 15 as amended carry?

Some hon. Members: Carried.

Item agreed to.

Items 560b and 560d agreed to.

The Chairman: Shall page 16 carry?

Customs tariff—561a. Yarns and rovings, wholly of man-made fibres or filaments or of glass fibres or filaments, not more advanced than singles, not coloured, with not more than seven turns to the inch: British preferential tariff, 20 per cent; most-favoured-nation tariff, 22½ per cent; general tariff, 35 per cent but not less than, per pound; most-favoured-nation tariff, 22 cents; general tariff, 28 cents.

Mr. Benidickson: There is quite a complicated comparison there of the proposed rates and the former rates. I wonder whether the minister would give an explanation as to what the over-all picture is in so far as either increasing protection or reducing it is concerned?

[Mr. Benidickson.]

Mr. Fleming (Eglinton): I am sorry, but the hon. gentleman lowered his voice and I did not catch what he said.

Mr. Benidickson: In item 561a, yarns and rovings, wholly of man-made fibres and so on, when one compares the new proposals with the former tariff rates it is obvious that this is a fairly complicated relationship. I was wondering whether the minister would indicate what the changes are in so far as an increase or a reduction in protection is concerned. One will note there that formerly some of these materials apparently came in on a British preferential tariff of 5 per cent and that others would be subject to the 20 per cent.

Mr. Fleming (Eglinton): The effect of the changes is not very material. One obsolete provision here that goes back for some years has been dropped. The effect of the changes is not very great.

Item agreed to.

Customs tariff—561b. Yarns and rovings, wholly or in part of man-made fibres or filaments or of glass fibres or filaments, including threads, cords or twines, not containing wool or hair: British preferential tariff, 22½ per cent, most-favoured-nation tariff, 22½ per cent; general tariff, 35 per cent but not less than, per pound: most-favoured-nation tariff, 22 cents; general tariff, 28 cents.

Mr. Benidickson: The next item, namely item 561b is similar, where we see a new rate applying to everything at 22½ per cent British preferential. Formerly it would appear that in part these materials came in at 7½ per cent British preferential tariff.

Mr. Fleming (Eglinton): The explanation for that is simple. The principal effect is the removal of the 7½ per cent British preferential rate which was written in many years ago and is regarded as obsolete.

Item agreed to.

Items 561c, 561d and 561e agreed to.

The Chairman: Shall page 17 carry?

Customs tariff—562d. Umbrella-covering fabrics, impregnated or not, with or without hemmed edges, in lengths of not less than 10 yards, for use in the manufacture of umbrellas having a rib length of not more than 27 inches: British preferential tariff, free: most-favoured-nation tariff, free; general tariff, free.

Mr. Benidickson: I notice an unusual thing in connection with this item, namely a reduction in the general tariff. We do not often encounter that. But in item 562d I note that the general tariff is reduced from 20 per cent to free.

Mr. Fleming (Eglinton): There is no particular significance to this because nearly

all imports into Canada come from countries enjoying the British preferential or the most-favoured-nation rate.

Mr. Benidickson: That is what I thought. I was wondering why the change was made.

Item agreed to.

Items 562a, 562b, 562c, 562e and 562f agreed to.

The Chairman: Shall page 18 carry?

Mr. Fleming (Eglinton): Here is another page with an item to be amended, namely item 563, of which I gave notice earlier. I would ask my colleague the Minister of Mines and Technical Surveys to introduce this amendment which contemplates the insertion of another item, namely item 563a.

Mr. Comtois moved:

That resolution No. 2 of the budget resolutions relating to the Customs Tariff be amended by inserting the following item, enumeration and rates of duty:

563a. Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, n.o.p., of which the component of chief value is silk or synthetic textile fibres or filaments: British preferential tariff, 20 per cent; most-favoured-nation tariff, 27½ per cent; general tariff, 50 per cent.

Amendment agreed to.

Customs tariff—562h. Woven fabrics, wholly or in part of man-made fibres or filaments, not containing silk, wool or hair, whether or not coated or impregnated, when imported by manufacturers of conveyor or transmission belts or belting containing rubber, for use in the manufacture of such belts or belting: British preferential tariff, 15 per cent; most-favoured-nation tariff, 27½ per cent; general tariff, 45 per cent.

Mr. Benidickson: On 562h, it would appear that there is a reduction here in the British preferential tariff from 22½ per cent to 15 per cent and in the most-favoured-nation tariff there is a change from 25 per cent and 30 cents per pound to 27½ per cent ad valorem. Does that actually involve an increase or a reduction in protection when one relates the 27½ per cent to the combination of ad valorem and specific duties?

Mr. Fleming (Eglinton): This involves a reduction in duty. The item is as recommended by the tariff board.

Mr. Benidickson: There is a reduction here in the British preferential tariff and the most-favoured-nation tariff.

Mr. Fleming (Eglinton): Yes.

Item agreed to.

Items 562g, 563, 564, 565 and 573 agreed to.

The Chairman: Shall the resolution carry?

Mr. Fleming (Eglinton): Can we complete that portion of it on page 19?

Customs tariff—573a. Linoleum; felt base floor covering not including such materials in which are incorporated synthetic resin sheets or cellulose plastic sheets: British preferential tariff, 15 per cent; most-favoured-nation tariff, 25 per cent; general tariff, 35 per cent but not less than, per pound: general tariff, 4 cents.

Mr. Benidickson: I am dealing with the few items on page 19 at the top of the page. Will the minister give us some indication of what is happening in connection with 573a, linoleum. What effect is this going to have on the Canadian linoleum trade?

Mr. Fleming (Eglinton): This involves a reduction of 2½ per cent in the most-favoured-nation rate. This was part of the negotiated textile package, and was necessary in order to secure the acceptance of that package by other countries. The proposed rates still provide for a very substantial level of protection to Canadian linoleum producers, and a very substantial margin of preference in favour of commonwealth imports.

Item agreed to.

Customs tariff—586. Anthracite coal; anthracite coal screenings and dust, per ton: British preferential tariff, free; most-favoured-nation tariff, free; general tariff, 50 cents.

Mr. Benidickson: There is naturally a general interest in the coal item. I wonder whether the minister would explain what is the effect here?

Mr. Fleming (Eglinton): The effect of the amendment to item 586 is to expand the tariff item relating to anthracite coal to include anthracite screenings and dust. Screenings and dust were formerly dutiable at 35 cents per ton British preferential and 50 cents per ton most-favoured-nation under item 588. Anthracite coal has been free of duty since 1948.

The removal of the duty on screenings and dust represents compensation to other countries for increases in certain bound textile rates, but it will also assist Canadian producers of pig iron, titanium and other products such as electric battery boxes. In a number of cases anthracite screenings and dust are now being used in place of coke, which enters free under items 587 and 587a. The dominion coal board has been consulted about this proposal and we have been assured that this tariff change will have no adverse effect on Canadian coal production.

Item agreed to.

Customs tariff—624a (5). Toy electric train sets, transformers, parts and accessories for use therewith: British preferential tariff, 5 per cent; most-favoured-nation tariff, 20 per cent; general tariff, 40 per cent.

Mr. Pearson: I have a special interest in item 624a. I wonder whether the minister

would tell me the effect of the changes. It deals with toy electric trains.

Mr. Benidickson: It will soon be Christmas.

Mr. Fleming (Eglinton): This new item provides for the importation of toy electric trains and accessories therefor at rates of 5 per cent British preferential and 20 per cent most-favoured-nation. These trains formerly were dutiable at 10 per cent British preferential and 25 per cent most-favoured-nation, while accessories entered under a variety of items at rates ranging from 5 to 15 per cent British preferential and 22½ per cent to 30 per cent most-favoured-nation.

The reductions in rates of duty provided for in this item represent compensation to other countries, primarily the United Kingdom and the United States, for increases which were made in certain bound textile items. Toy electric trains are not produced in Canada.

Mr. Pearson: Thank you very much.

Item agreed to.

Mr. Benidickson: Some of us have more knowledge or a better appreciation of some of these consumer items from the point of view of price consciousness or eventual prices than we have of some of the industrial items. I was wondering whether between now and the presentation of the bill we might be able to get from the minister some information as to the effect on pricing of any reductions in tariffs that have taken place in these sections. Perhaps between now and the presentation and second reading of the bill his officers might be able to give certain information to the minister as to whether or not when a tariff is reduced from 10 per cent to 5 per cent it seems to get out to the retail level.

Mr. Fleming (Eglinton): It would be quite impossible to trace these in that period. The statistics would not be available as yet. It might take a year or two before it would be possible to compile any statistics which would have any significance for this purpose.

Item 663f agreed to.

Resolution agreed to.

3. Resolved—That schedule A to the Customs Tariff be amended by striking out tariff items 522c(2), 530, 531, 532d, 552, 552a, 553(2), 553(3), 553a, 554b(1), 554b(2), 554b(3), 561a(i), 561a(ii), 562, 562a, 565, 566 and 567(3), and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

Mr. Benidickson: We are considering a new resolution here on page 19. Am I right in thinking that all these items simply involve renumbering, that there are no changes in duty rates?

[Mr. Pearson.]

Mr. Fleming (Eglinton): Yes, Mr. Chairman. The changes here are simply a matter of renumbering except for item 538g on page 20.

Mr. Benidickson: There is an amendment there?

Mr. Fleming (Eglinton): Yes.

Items 532a, 532b, 532c, 538a, 538b, 538c, 538d, 538e and 538f agreed to.

Customs tariff—538g. Blankets of any material, not to include automobile rugs, steamer rugs, or similar articles: (1) Blankets, wholly or in part of wool or hair: British preferential tariff, 20 per cent; and, per pound, 5 cents; most-favoured-nation, 25 per cent; and, per pound, 30 cents; general tariff, 35 per cent; and, per pound, 30 cents.
(2) Blankets, n.o.p.: British preferential tariff, 20 per cent; and, per pound, 5 cents; most-favoured-nation, 25 per cent; and, per pound, 20 cents; general tariff, 35 per cent; and, per pound, 30 cents.

Mr. Fleming (Eglinton): On page 20 there is an amendment to the item to which I have just referred, namely item 538g. I would ask my colleague the Minister of Mines and Technical Surveys if he would move this amendment. Perhaps in view of the fact that it has already been printed and placed in the hands of hon. members the committee might dispense with the reading of the amendment.

The Chairman: Would the committee dispense with the reading of the amendment?

Some hon. Members: Agreed.

Mr. Comtois moved:

That resolution No. 3 of the budget resolutions relating to the Customs Tariff be amended by deleting item 538g and substituting therefor the following:

538g. Blankets, not including automobile rugs or steamer rugs or similar articles or blankets wholly of cotton: (1) Blankets, wholly or in part of wool or hair: British preferential tariff, 20 per cent; and, per pound, 5 cents; most-favoured-nation tariff, 25 per cent; and, per pound, 20 cents; general tariff, 35 per cent; and, per pound, 30 cents.
(2) Blankets, n.o.p.: British preferential tariff, 20 per cent; and, per pound, 5 cents; most-favoured-nation tariff, 25 per cent; and, per pound, 20 cents; general tariff, 35 per cent; and, per pound, 30 cents.

Amendment agreed to.

The Chairman: Shall resolution 3 as amended carry?

Some hon. Members: Agreed.

Items 538h, 538i, 538j, 538k, 538m, 538n, 538p agreed to.

Resolution agreed to.

4. Resolved, that schedule B to the Customs Tariff be amended by striking out items 1030(a) 1030(b) and the enumerations of goods and the rates of drawback of duty set opposite each of those items, and by inserting the following item, enumeration of goods and rate of drawback of duty: Item No. 1013; goods, materials; when subject to drawback, when used in the manufacture

of articles enumerated in tariff item 236; portion of duty (not including special duty or dumping duty) payable as drawback, 50 per cent.

Mr. Benidickson: On resolution No. 4, would the minister explain, because this is a drawback item and it also refers to another tariff item, item 236?

Mr. Fleming (Eglinton): Resolution No. 4 applies to tariff item 1013. The change created by this amendment is technical and is consequential on the amendment of item 236 under resolution No. 2. It was recommended by the tariff board. The effect of the change is to delete an obsolete provision —part (b) of drawback item 1013—which provided a drawback in respect of certain goods, namely cotton gauze for surgical dressings, which have now become free of duty.

Resolution agreed to.

5. Resolved, that schedule A to the Customs Tariff be amended by striking out tariff items, 124b, 180a, 237a, 399a, 403(c), 409e(1), 437b, 438f(1) and (2), 438g, 440m and 440n, and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

Customs tariff—90e. Potatoes, pre-cooked, without admixture beyond the addition of preservatives, in powder, flake or granular form: British preferential tariff; 17½ per cent; most-favoured-nation tariff, 17½ per cent; general tariff, 25 per cent.

Mr. Benidickson: On item 90e, we have a substantial increase in the import duty from a most-favoured-nation tariff rate free to 17½ per cent. I was wondering what information the minister can give to the committee as to the current volume of Canadian products in this direction, the production of powdered potatoes.

Mr. Fleming (Eglinton): These instant potatoes are a comparatively new product being produced in Canada now. The potato processing industry represents a rapidly expanding market for Canadian potatoes. Horticultural interests have asked that this item be included in order to encourage further processing in Canada. Item 90e establishes rates on instant potatoes in line with others imposed on processed vegetables. It does not require negotiation, because there is no GATT commitment involved.

One cannot therefore at this stage of the development of this industry be precise. I might point out, however, that in 1959 a leading Canadian firm completed the construction of a plant in Alliston, Ontario and has invested a sum, we are told, in excess of $1 million in land, plant and equipment. I think we would have to wait until the industry is a little further established before being able to give precise figures in reply to the question asked by the hon. member.

Mr. Benidickson: Just one plant so far?

Mr. Fleming (Eglinton): Only one as yet, but it is expected that more will be constructed and brought into production.

Item agreed to.

Items 124b and 180a agreed to.

Customs tariff—237a. Deuterium oxide or heavy water; uranium in the form of pigs, ingots, billets or bars: British preferential tariff, free; on and after July 1, 1962: free; most-favoured-nation tariff, free; on and after July 1, 1962: 15 per cent; general tariff, 25 per cent; on and after July 1, 1962: 25 per cent.

Mr. Pearson: I wonder if the minister would explain the changes in 237a?

Mr. Fleming (Eglinton): This item which concerns heavy water and uranium metal merely renews for a further two-year period free entry under the most-favoured-nation tariff of heavy water and uranium metal in the form of pigs, ingots, billets and bars. The date appearing in the item is changed from July 1, 1960 to July 1, 1962. In 1959 imports of heavy water amounted to $2,700,000. There were no imports of uranium metal.

Tariff item—399a. Pipes or tubes of iron or steel, commonly known as "oil-country goods", being casing or tubing and fittings or couplings therefor; sucker rods, pony rods, polished rods and couplings therefor; seismograph drilling bits, in sizes three and one half inches to four and three quarter inches inclusive; all of the foregoing for use in connection with natural gas or oil wells: British preferential tariff, 5 per cent; most-favoured-nation tariff, 10 per cent; general tariff, 20 per cent.

Mr. Benidickson: With regard to item 399a on page 23, this would involve an increase in duty with respect to seismograph drilling bits, which I understand are used in the oil industry. I wonder if the minister would indicate what prompted him to increase this.

Mr. Fleming (Eglinton): These bits are used in drilling for oil and gas and are now being made in Canada in sizes ranging from 3½ inches to 4¾ inches inclusive. In future the same rates of duty will apply to these bits as apply on pipes or tubes of iron or steel commonly known as oil country goods and as were extended by last year's budget to sucker rods. It does not require negotiation, because there is no GATT commitment involved. The Canadian petroleum association does not oppose the change.

Item agreed to.

Item 403 agreed to.

Customs Tariff

Customs tariff—409e (1). Spraying and dusting machines and attachments therefor, including hand sprayers, for agricultural or horticultural purposes; apparatus for the destruction of predatory animals by the discharge of poisonous cartridges and poisonous cartridges for such apparatus; automatic explosive bird-scaring devices; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; dehorning instruments; magnets for veterinary use; parts of the foregoing: British preferential tariff, free; most-favoured-nation tariff, free; general tariff, free.

Mr. Benidickson: I think 409e was the item which was spelled out in the brief from the Canadian Federation of Agriculture, a brief which was no doubt presented to the government and, I think, to all parties last October. I think everyone will be glad to see that it has received attention in this form.

Item agreed to.

Items 409e, 437b, 438f, 438g, and 438h agreed to.

Customs tariff—440m. Aircraft, not including engines, under such regulations as the minister may prescribe: 1. When of types or sizes not made in Canada: British preferential tariff, free; most-favoured-nation tariff, free; general tariff, 27½ per cent.

On and after July 1, 1962: British preferential tariff, free; most-favoured-nation tariff, 15 per cent; general tariff, 27½ per cent.

2. When of types and sizes made in Canada: British preferential tariff, free; most-favoured-nation tariff, 15 per cent; general tariff, 27½ per cent.

Mr. Benidickson: With regard to this item, has the minister in contemplation any new regulations other than those with which we have been familiar?

Mr. Fleming (Eglinton): This simply carries forward the old protection.

Mr. Benidickson: You are not contemplating changing the normal type of regulation?

Mr. Fleming (Eglinton): No, Mr. Chairman.

Item agreed to.

Item 440n agreed to.

Resolution agreed to.

Resolutions 6 and 7 agreed to.

Resolutions reported and concurred in.

EXCISE TAX ACT

Hon. Donald M. Fleming (Minister of Finance) moved for leave to introduce Bill No. C-73, to amend the Excise Tax Act.

Motion agreed to and bill read the first time.

CUSTOMS TARIFF

Hon. Donald M. Fleming (Minister of Finance) moved for leave to introduce Bill No. C-74, to amend the Customs Tariff.

Motion agreed to and bill read the first time.

[Mr. Fleming (Eglinton).]

SUPPLY

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

POST OFFICE DEPARTMENT

304. Departmental administration including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $1,926,670.

Mr. Fisher: Mr. Chairman, I will address myself mainly to the subject of British football pools but before proceeding I wish to direct a question to the minister. In the committee of this house in which the inquiry into the management of the Jacques Cartier bridge was conducted there was some discussion about just what degree of privacy is accorded to letters of a personal and confidential nature and the committee's actions were somewhat restricted in this respect.

On almost every occasion that I have received a letter from the minister about a question raised by a constituent—I have checked with other hon. members and they confirm having had a similar experience—the reply relating to the post office problem comes back marked "personal and confidential". I have had to break that confidence in the sense that I have forwarded the information to the people concerned. I would appreciate knowing, as I am sure would other hon. members, what significance the minister reads into the phrase "personal and confidential" which he puts on most correspondence with members of parliament. I do not raise this in a critical way and if he wishes to explain now I would appreciate hearing his comments.

Mr. Pickersgill: Mr. Chairman, before the minister answers I wish to say a word on the point raised by the hon. member for Port Arthur. I have received a number of letters of this character from the minister, most of them quite agreeable. The hon. gentleman always furnishes me with a carbon copy of his reply which leads me to believe that the information contained therein is not so confidential that he expects me to keep both copies in my file. I have just put that down to the minister's inexperience and sent the carbon copy on to the person who made the inquiry from me.

Speaking seriously I think it is not a desirable practice. The minister well knows that he made my life rather miserable during that quite protracted period when I was acting postmaster general and the hon. gentleman sat on this side of the house. I received many letters to answer such as the minister now receives and it never once occurred to me to mark my replies "personal and confidential" because I thought they dealt with public

affairs and ought to be publishable. I believe it would be a good idea if the minister would drop that custom.

(Translation):

Mr. Dupuis: May I add a few remarks to those of the member for Port Arthur (Mr. Fisher).

We are often called upon to supply information to our constituents. When we apply to the minister, the information we get, as mentioned earlier by the hon. member, is always marked "personal and confidential". It would probably not be an exaggeration to say that every letter of the minister bears that same label.

I should like to give the house an example in that respect, and ask the minister for comments and an explanation of the position he took.

I was invited to the inauguration of the automatic toll collection system which is now in operation on Jacques Cartier bridge. The day before the ceremony a last-minute letter marked "personal and confidential" was delivered to my home. I was away at the time and nobody dared open the letter, so of course I did not get the message concerning the ceremony to which I had been invited. As a result, I could not attend due to the fact that the letter was marked "personal and confidential" and that no one would open it for that reason.

The minister is continuing this practice and any correspondence you get from him is always personal and confidential.

A resident of a village in my riding wanted to know if there was any hope of getting a better postal service, and again the minister's reply was of a personal and confidential nature.

I should appreciate it very much if the minister would tell us why, in the case of an invitation like the one I received for the Jacques Cartier bridge ceremony, his invitation letter had to be marked personal and confidential, especially when press photos were taken and when the inauguration ceremony was widely publicized.

In view of the many complaints he received in that connection, could the minister explain his rather strange attitude in a parliament such as ours?

(Text):

Mr. Denis: Mr. Chairman, as we have seen I am not the only person who complains about the letters marked "personal and confidential" which we have received by the dozens. A few weeks ago I requested permission from the minister to divulge the contents of some letters to my constituents. I still await permission from the minister to forward this information to them.

I noticed an interesting item in this morning's newspaper. I know that the Post Office Department is an important one but that the Postmaster General still manages to find time to travel and to speak of other matters. The hon. gentleman used to attend conferences of one kind and another but he was loath to attend the conferences and meetings called by employees of the department at which they discussed their salaries and working conditions. Many such meetings have been held during his tenure of office but I could count on my fingers the number of times the hon. gentleman attended. The minister also used to visit postmasters all across Canada and at first these visits were successful. He is a sociable fellow and at that time was full of promises and commitments. They thought he was a god. I now suspect they think he is the opposite. Perhaps he does not make these visits today because he is not as well received as originally.

The minister is foxy and knows that the best way to accomplish his purpose is to go outside of Canada. I would not say he abuses this practice but he recently went to the United States and spoke about the great flow of United States periodicals containing Canadian advertisements that come to this country. The minister will remember that while he was in opposition in 1956 the Liberal government, fully aware of the situation, wanted to protect Canadian periodicals and magazines, and imposed an excise tax of 20 per cent on United States magazines and periodicals. If I am wrong I am sure I will be corrected. Every minister on the treasury benches today talked against that legislation, and even the Postmaster General was against it. So much so that after they took power, in 1958 I think, they repealed the legislation and abolished the tax.

Mr. Hamilton (Notre Dame de Grace): On a point of order, Mr. Chairman—

The Deputy Chairman: I imagine the minister is going to raise the same point of order that I was going to raise. The hon. member should confine his remarks to the estimates.

Mr. Denis: Yes.

Mr. Howard: Mr. Chairman, may I raise a point of order. I do not wish to cut off the hon. member in his discussion but you, Mr. Chairman, recognized the hon. member for Port Arthur who raised initially the question of the words "personal and confidential" being marked on letters, and then indicated that perhaps the Postmaster General wanted to answer that particular question. The hon.

member for Port Arthur then took his seat so that the question might be answered but he still retained his right to the floor to make the remarks that he wanted to make when he first gained recognition. That was the thought in the mind of the hon. member for Port Arthur, and I think the Postmaster General intended to explain the words "personal and confidential". The hon. member for Port Arthur graciously relinquished the floor on this specific point only.

Mr. Benidickson: I had a point to make as well. I find that the Postmaster General and the defeated candidate in the constituency of Kenora-Rainy River have become very chummy and I think they correspond back and forth quite frequently. I have the impression that perhaps this individual is not keeping the secrets of the minister because he is inclined to go to the press quite often. I am wondering whether he also gets letters from the minister marked "personal and confidenial" more frequently than not.

The Deputy Chairman: On the point of order raised by the hon. member for Skeena, I think we all try to keep things together as much as we can. If the minister wishes to answer the question now he may do so, or later. If not, I recognize the hon. member for St. Denis.

Mr. Denis: I was speaking about the excise tax and explaining what happened under the previous government and what happened under the newly elected government in order to prove that we were right at the time and they were wrong when they took power and did away with the excise tax.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, on the same point of order, I have the idea that we are on the post office estimates and not on the Department of Finance estimates.

Mr. Denis: I am trying to prove—

The Deputy Chairman: Order. I thought perhaps the hon. member for St. Denis was coming to a point, and I was waiting to see if he was going to complete it before calling him to order.

Mr. Denis: That is what I was coming to. The minister has it within his power to stop this flow of United States reviews and magazines if he believes, as he said in the United States, that it is invidious, and so forth. He can raise the postal rate on United States magazines and periodicals coming into Canada and this is the point I wanted to make.

Every Canadian newspaper reported what the minister said in the United States. I do not think he was so successful in the United States. I do not know whether he is so well organized, as far as publicity is concerned, because any United States newspaper that said anything about the conference said that the minister also spoke.

I wish to emphasize this point. As far as publicity for the minister is concerned, the opportunities are wide open in Canada. According to the newspapers, the Postmaster General had serious reservations. He described the flow of United States advertising as invidious. He used words that most of us would not understand. But still it means that they were wrong to repeal the excise tax which we imposed; they were wrong to abolish the excise tax. They have abolished it, and now that he is the Postmaster General there is one way in which he can stop the flow of these United States magazines. I ask him to do more than have serious reservations, to do more than mention the invidious techniques. I do not know whether the cost of the electronic machine is an obstacle to the Postmaster General which is preventing him from looking into the question of the United States periodicals.

In speaking about this electronic machine may I say unfortunately for the Postmaster General my brother received a letter which passed through the electronic stamping machine, and it has a notation on it "Damaged by stamping machine". You can see, Mr. Chairman, the way this new electronic machine works. You would swear, Mr. Chairman, that the Postmaster General is practising blackmail because the envelope is black. What was a monster of $1 million is now a big, big project of $3 million.

I should like the Postmaster General to examine this letter received by my brother. Mind you, I have no friends in the post office. I suppose those who have been looking after this matter are members of the flying squad that the Postmaster General has created since he got into power. This is the patronage that he was quarrelling about a few years ago.

I am going to tell you, Mr. Chairman, as far as partonage is concerned, that most of the recommendations made by members of parliament opposite to the flying squad are now working in the provincial election in Quebec. If he wants to take advantage of that information; if he wants to fire the absentees on the flying squad in Montreal, I ask him to telephone and find out how many of the flying squad are at work at present.

Last week most of the widows and old women who had worked four hours a day for years worked only three hours a day. Do

you think it is worth while for an old woman to pay her fare, go down town, get something to eat while she is working and get back to her house, after working only three hours a day for $1 and a few cents an hour? Is it worth while for her to go down to the central post office and work only three hours? Do you think it is humane, Mr. Chairman? Those widows and those old and poor women have been working for years and now they work only three hours a day. What happened? Those call girls, as they are called in Montreal, recommended by members of parliament now in power, are called in and work eight hours a day.

I think, Mr. Chairman, that not only is it funny but it is shameful. When a man like the Postmaster General complained so much about patronage I think he should be ashamed of the way he has let his officials employ these flying squads while hundreds of young men have passed their examination and are waiting for jobs in the Post Office Department. He knows very well just why he has no excuse. A person passes his examination to be a mail carrier or a clerk. He is successful and is ranked first, tenth or twentieth. There is a list but the list is good only for one year, and those who are on the waiting list during that year are kept waiting for two reasons, the flying squad and the electronic machine. The Postmaster General should check both systems.

Having regard to all the criticisms that the Postmaster General made while he was in the opposition, I do not see how he has improved these matters in any way. Of course, he did not know that he would be lucky enough to occupy the office of Postmaster General. Now he has to do something. He has to put into operation what he promised to do and what he criticized the government of the time for not doing. For the time being I think the Postmaster General would render better service by checking on what he calls the great electronic machine project and telling us how many people it will put out of work. How many people will have their places taken by these electronic machines? Of course, the Postmaster General has said that no one will be fired on account of this machine, but no one else will be hired. He said that the only ones who may suffer are those who are working part time but he will agree with me that more than half of his employees are part-time workers.

Mr. Hamilton (Notre Dame de Grace): I do not agree with that at all.

Mr. Denis: If the minister does not agree with me then he does not agree with himself because that is what he said, as reported in *Hansard*.

Mr. Hamilton (Notre Dame de Grace): No, and you cannot find it.

Mr. Denis: If I do, will you resign? I thank you for your graciousness, Mr. Chairman, and I ask the Postmaster General to answer the questions I asked a few days ago. He complained because I made a long speech. My speech was long because I asked so many questions. It was not long enough because I do not think he has answered more than two of the questions that I asked. I want to know how many kinds of electronic machines there are in the Post Office Department. They talk about calculators, they talk about stamping machines, they talk about segregator machines and they talk about accounting machines. I do not know if there is an electronic postmaster general. I should like to know how many of these machines are in operation. Are they in operation to gain experience and how long will it take to gain experience? How many will be there permanently? How many are rented from England at a rate of almost $2,000 a month? That is what the committee on public works was told last year. To be exact, it is $1,885 per month for the Univac 120. Right or wrong? For how many years are we going to rent that machine? It is good or it is not good. If it is good, let us buy it. If it is not good, let us end the deal. If there are Canadian machines that can do the same job, let us buy Canadian. It is a good idea when we have people unemployed. Instead of buying United States scooters, let us buy Canadian bicycles. It is cheaper because they do not need any gas and no drivers' licences are required. A bicycle can go closer to a house and there is less danger of robbery. As much as 200 pounds of mail can be carried. Look at the grocery stores. They have messengers delivering groceries in every part of the city. Why not use an ordinary tricycle?

The Postmaster General will answer that the department is motorized, but do not live beyond your means. If you have not the means to buy an automobile or scooter buy a bicycle and if you have not got the money to buy a bicycle go on foot. Let us be fair to all the mail carriers who are still on foot and have to carry their bags. Whatever their load is, they have to carry their load of mail on their shoulders up to the first or second floors. After two or three years experience you had better decide whether it is still a matter of experience before you are beaten in the next election.

I should like the Postmaster General to decide if it is going to be a matter of gaining

experience for years or whether we are going to adopt a three-wheel scooter or a four-wheel scooter or something else. I think it is about time we had more information about the scooter. The minister gave some information last week about scooters but he did not give us the prices that were paid for them. He did not give us the depreciation on the scooters. He did not compare the cost of a mail carried with a scooter and the cost of a mail carrier without a scooter. If he says that the scooters do not replace any employees, what is the use of spending thousands and thousands of dollars to have a new experience or to modernize the post office if it does not help to save money and if on the other hand it helps to prevent people from getting work? Hundreds of thousands of dollars have been spent on electronic machines and on scooters. This might have been a good idea in the prosperous Liberal years but I think it is a little bit out of this world as far as the Conservative party is concerned.

Mr. Fisher: Mr. Chairman, when I foolishly yielded the floor in the hope the minister was going to answer I had had a preliminary word with the hon. member who just sat down and he indicated to me that he did not have a speech ready but only a few questions. I must congratulate him on the quick way he built up his few questions into a major address.

Mr. Hamilton (Notre Dame de Grace): It sounded as if it had not been prepared too.

Mr. Fisher: In regard to the point raised by the hon. member for Kenora-Rainy River, I may say that we, too, have noticed that the minister has been in communication with the defeated candidate at Port Arthur recently. The only point I should like to make about that is I think we can look after that part of it. However, one of my post office friends, whose wife runs a small post office up there, was advised that he must cease taking any part in party politics. I thought this was hitting a little bit below the belt because he was not working in the post office and had no part in it.

In so far as my remarks about the Canadian post office and British football pools are concerned, Mr. Chairman, perhaps I can start off by reading from an article that appeared in the London *Times* of February 6, 1960. This was written by the *Times'* own correspondent, and it reads:

> There is a continuing battle of wits between the Canadian post office and the British football pool firms that are trying to increase their business in Canada, and the Postmaster General, Mr. Hamilton, has now revealed some of the steps that his department is taking to prevent Canadians from putting money on the pools.
>
> The minister points out that lotteries and football pools are illegal in Canada, and that the post office tries to prevent the Canadian mails from being used for illegal purposes. Over the years the department has compiled a list of pool operators and their agents in Britain from whom Canadian mailing facilities have been withdrawn.
>
> In November, 1957, he says, the British postal administration was advised that Ottawa had evidence that a firm of pool promoters were distributing literature in Canada, and that as this was illegal, an order had been issued prohibiting delivery of mail posted by or delivered to the firm. Thirteen months later a similar notification had been sent concerning the activities of several other firms, and the G.P.O. was asked to notify these firms that pools material would be disposed of by the Canadian postal administration in accordance with its regulations.
>
> It seems, however, that the football pool promoters found other means of penetrating the Canadian market, for last year, according to Mr. Hamilton's report, the Canadian post office's illegal mail section opened 10,299 letters addressed to them or their agents in Britain. This was done, he said, solely to find an address for the contents to be returned to the sender. Had there been an address on the envelope the letters would have been returned to the sender unopened. The total handled in this way was not revealed, but is believed to have been large.

This indicates that for the last two years the government has been trying to clamp down on the playing of the British football pools by Canadians. Even after this information was tabled, I have drawn the minister's attention to the fact that two Toronto newspapers, the *Telegram* and the *Star*, in their Wednesday editions carry a little note which indicates the results for Vernons football pools in Liverpool. I have been unable to determine from the newspapers whether these results are carried as advertisements, but they are not labelled as advertisements. Obviously these two large circulation newspapers would not be carrying these results if there was not an audience in Canada for them. I also have here the latest advertising information on Vernons pools in Liverpool. This is the organization that is trying hardest to build up a Canadian market. This information indicates that for Canadians who wish to take part in their pools they will open a charge account. In other words, I can, by depositing £10 to £15 or more with Vernons in Liverpool, play the football pools by just sending to them my choices, if my letters can escape through the postal net which the minister's officials erect.

Some idea of the cost to the department of putting up this postal net can be gained from the information tabled by the minister in response to some questions of mine. In response to question No. 43, part 3, which asked, "How many correspondents had mail opened?", the department said:

> According to departmental records, 10,299 letters addressed to sport pool operators and their agents from whom Canadian mailing facilities have been

withdrawn, were opened in the illegal mail section of the undeliverable mail office of the department during the calendar year 1959. These letters which were undeliverable as addressed and could not be promptly returned to the sender because they did not bear the name and address of the sender on the outside of the envelope were opened to ascertain a return address. If the sender's name and address had appeared on the outside cover, the items would have been returned direct to the senders, unopened, simply endorsed "Non-transmissible".

During the calendar year 1959, 5861 letters of warning, as per copy herewith, were sent to Canadian residents.

This is the letter that went out to the 5,000 people, and it reads as follows:

Dear Sir:

Evidence has been received indicating that you have used the mails for the posting of matter relating to a sport pool operating in England.

The use of the Canadian mails in any way in connection with the above undertaking is prohibited and postal law and regulations provide for the withdrawal of Canadian mailing facilities from any person or firm observed to be using the mails for this purpose.

It is deemed advisable to bring the foregoing to your attention because if further evidence is received indicating that you are continuing to use the mails in connection with the above undertaking, there will be no option but to withdraw mailing facilities from you.

Yours very truly,

B. J. Farrell

Director of Administration

I wanted to first draw to the attention of the committee, Mr. Chairman, that there is nothing illegal in Great Britain about the football pool operation. As a matter of fact, the operations of these concerns are largely carried out under the pool betting act of 1954 passed by the British parliament. Some sections of the pool operations are also carried out under various finance acts that have been passed by the British house. If one wants to gain an idea of the scope of the operation he can look at the inside story of Vernons, which I have in my hand, and which is only one of the football pool promotions. You find that they employ, on a full-time basis, over 12,000 women at their headquarters in England. They have a total of over 20,000 employees. As a matter of fact, to give you an idea of how broad their operations are, I may say they use over 40 million envelopes a month.

For a number of years I lived in Great Britain and, quite frankly, I played the football pools there. I have played them since I came back to Canada. In my opinion it is the kind of gambling operation in which the ordinary person not only gets a chance or a possibility of making a great deal of money, but in which some skill is employed. For example, in the latest offer by Vernons you have an opportunity of winning £100,000 for a one penny bet. This is the equivalent, in Canada, of having an opportunity of winning approximately $300,000 for about a four-cent bet. When I played the football pools after returning to Canada I did so by means of air mail letters and I would play the pools approximately 10 days ahead of time in order to get my particular choice there in time.

One of the points I wanted to make in connection with this matter of playing the football pools is that it is a game of skill. I know it can be played by many people just by some kind of hunch, but there are one or two approaches in selecting your permutations or combinations. There is the mathematical skill required and in so far as making selections with regard to a particular choice is concerned there is also some sporting knowledge necessary. Very often, especially in this house, the Prime Minister is fond of referring to example of the mother of parliaments. I think it is natural that he and other members in this house, especially on the government side, hold in very high regard the example that Great Britain provides us. It seems to me that the development in Great Britain of this means of allowing what I think you have to agree is an ordinary person's opportunity to participate in a legal way in this particular is an example that we should seriously consider in Canada.

You may ask what relevance has this particular aspect to the Post Office Department. I should like to point out to you, Mr. Chairman, that any time we have a concern, which is only one of the larger ones among eight in the field, using envelopes at the rate of 40 million a month and those envelopes are going through the mails both to and from the company, you have a tremendous source of revenue. I might point out that one of the other aspects of revenue are the football operations which of course are fairly heavily taxed. They provide a large revenue from the ordinary straight tax source. The revenues of the pool operators, since the legal action that took place a little over a year, are now going to help support sport in so far as football is concerned.

I think it is also worthwhile, when we have a government which is so strong about the commonwealth and these imperial bonds that are sacred to Conservative members to make the point that the football pools in Britain, in their effort to build up a commonwealth kind of industry or business, if you will, have not encountered anywhere else the difficulties they have encountered in Canada. It is possible for the people in New Zealand, Australia and South Africa to play the British football pools and they do so, in spite of the fact

that in at least one of these countries the laws are similar to those in Canada. In other words, in one part of the sacred commonwealth the postmaster general of that particular place closes his eyes to the fact that a fairly large business and interest is developing.

It seems to me that the point we should keep in mind here, in so far as the post office is concerned, is that there is a potentially great revenue available to the Post Office Department. I might make the other point here that potentially, if I may judge by the fact that these large circulation Toronto papers are going to the trouble of printing the results of these pools, there must be people playing in Canada at the present time and they must be using the mails in some way. I do not know how they have managed it. When I get a letter from someone in the British pools they always send me an addressed envelope so that I can manage to reach them and not have my letters intercepted by the minister's officials, even though our correspondence is not dealing with the actual playing of the pools.

But there is a great potential revenue here. At the same time there is what must be considerable cost to the Post Office Department at the present time in trying to prevent the playing of these pools. Obviously if the government has sent out 5,000 letters in this form in 1959 and obviously if they opened 10,000 pieces of mail they have gone to the trouble of checking up on all those promoters and trying to block them all, and have spent a considerable amount of money in the process.

We know the difficulties the Post Office Department has with other forms of gambling and lotteries that use the mails. I think of the army sweepstakes, the army and navy stakes and various groups like that. It would seem to me that in the Canadian puritan tradition the minister and his officials are carrying out a policy imprinted into the law that is considerably out of date. I think we are all aware that in this House of Commons during the hockey season and during the football season any one of us is no sooner inside the door of the building on almost any morning than he is offered a football pool ticket for sale. I think the minister is aware of this situation. That is spreading through almost every community in Canada. I know that in my community in my constituency I am usually approached to buy a football pool ticket in the Canadian football pool or in the hockey pool. I know that one of the organizations of civil servants in Ottawa supports most of its charitable work by running such pools. These pools, however, do not happen to use the mails. I am not suggesting that there is any large scale attempt in so far as the Canadian pools are concerned to use the mails.

But the very prevalence of this matter right across this country suggests to me that the minister may be the one to appeal to to lead in the change or re-orientation of our laws and to be more open-minded in this regard. I would think that in any change or re-orientation one of the things that needs to be in the mind of the government is the possibility of revenue and also the possibility of encouraging sport. I have no particular brief for the British football pools. I happen to like to play them because I am interested in the game and I follow the English sporting scene. But for the great majority of Canadians we have our own sporting scene and our own fixtures and practices right across the country. It seems to me that we should be considering seriously or that the government should be doing so with its great respect for British traditions and practices some kind of legalized arrangement so that the ordinary person in Canada can carry on and take part in a properly run legalized system of betting in this particular form.

Many members may consider this is a rather shocking or foolish thing to introduce into this particular forum, although a number of members have put on the order paper resolutions indicating that they support various kinds of legalized pools for various worthy purposes. Usually the most worthy purposes considered is something like hospitals or other charitable organizations. I should like to make the observation here that scaling or determining that kind of operation for a charitable purpose is very difficult in that it is very hard to know how to choose.

The Deputy Chairman: Order. I think the Chair has been quite lenient with the hon. member in allowing him to go into those details into which he has gone. It is quite all right as far as they concern the post office but I do not think the procedure is any concern of this committee.

Mr. Fisher: I think I have made the main point I wanted to make with regard to this matter, namely that the post office has been spending a considerable amount of its efforts in trying to block this particular practice. In other parts of the commonwealth these attempts are not carried out. My argument is that this practice is a relatively harmless one. I am not asking the minister to close his eyes to the fact that it goes on but I am also suggesting to him that the practice is continuing despite his efforts to stop it. When you have a considerable number of Canadians operating in the breach of a particular

law which the minister is trying to enforce it indicates that there is no real public support for the law.

I am suggesting that it is in the interests of the Postmaster General to have this particular matter changed. I should also like to suggest that in the search of this particular government for worthy motives we have been told in this house repeatedly that we could look no further than the mother of parliaments for example in our procedure and the way we operate. I am underlining that in this particular field we have the kind of operation that has been legalized and has been controlled and is very definitely looked upon with favour by the mother of parliaments. I am just suggesting to the minister that here is an opportunity for him to put us in line with that particular institution which is rather sacred to the Conservatives.

There are a couple of other aspects of the minister's operation that I wanted to bring to his attention. A number of people in my particular area, which tends to have a number of communities in size from 1,500 to 2,000 or 3,000 people, have made the suggestion to me that it is almost impossible for them to expect or hope that they will get door to door delivery of mail as provided in most cities. This means that the majority of them are obliged to go down to the central post office. This may not seem to be a particular burden but I should like to point out that in a community such as Sioux Lookout or Hornepayne—which happen to be communities in which I am interested—these communities were built at a time when real estate was bitten off in rather large chunks. From many points in Hornepayne it is well over a mile to the post office and in Sioux Lookout it is a distance of 1½ miles to 2 miles for many of the people who reside in that place.

It has been suggested to me by the people of these communities that the post office authorities might consider establishing the kind of boxes that are used for suburban mail delivery in suburban areas such as we have in the south part of Ottawa. We have not reached the stage of door to door deliveries. However we might have some system like that. This kind of decentralized distribution would be of great advantage.

One of the other points I wanted to bring to the attention of the minister was the accuracy of the rural post office routes or the roster of mail recipients along rural post office routes as provided by the department. I believe it is the practice to supply, or make available, to members of parliament a list of all the people receiving mail at a certain date in various communities. I have no idea how this list is compiled, but I have tried to make use of it and I find that it seems to be remarkably out of date. I can give an example of two communities where I took names. I sent mail—call it propaganda if you wish—to all the names on the list. I got a remarkable number back, and I discovered on checking that some of the people to whom I had sent were university students who had been employed there a year ago; they were just there for the summer, but somehow when the list was compiled their names were still on it. I would just like to know how up to date these lists are and what attempt is made to ensure that errors and redundancies do not occur in them.

One of the complaints I have had from people living in the city of Port Arthur relates to the once a day delivery and the fact that in certain communities such as the lakehead where planes and trains which deliver all mail into the communities come in at a certain time it is quite possible, if you have either a morning or an afternoon delivery, that you may have to wait an extra 24 hours for mail. I know in one particular case that a businessman in Fort William told me it was preferable to have his office mail addresdressed to his home because it got to him before the mail at his office. I have had the argument put to me in Port Arthur that the situation is quite the reverse.

I do not know what the minister could do in this regard, but it seems to me every possible adjustment should be made in relation to the time the majority of mail happen to reach a community. It seems regrettable that mail coming in on the evening plane from the east, which I gather is the largest shipment into the lakehead, should be distributed the following morning to some business sections while other business sections have to wait until the afternoon. I do not know how exact this is, but the situation does seem regrettable. I am not arguing that the minister should introduce special twice a day delivery in our community, but it certainly seems to me it would be worth while to check the situation to ensure that the mail reaches business establishments at the earliest opportunity.

As far as the residential areas are concerned, I wonder if it would be possible to make switches from time to time so that certain areas would get delivery in the morning for a certain period of time and then the section would have to wait until the afternoons, taking turn and turn about, somewhat on the lines of mothers sending children to kindergarten schools for one year in the mornings and one year in the afternoons. It is a method of evening up the

balance. If there is unfairness in having to wait for mail, it seems to me that this unfairness should be shifted round in the community so that each part shares it equally.

The other point I want to draw to the minister's attention is that boat traffic in the lakehead continues to grow and gives every indication of rising steadily. The hon. gentleman will remember that several people in the lakehead who are interested in this matter have brought up the question of a marine post office, and the argument has been: not yet, the situation does not justify it. I hope the minister's officials at the lakehead or at the North Bay office which I understand is the central office for that region are watching the situation closely and are going to try to do something about deciding when the lakehead will be ready for this marine post office. I might point out to the minister that there are prospects that the shipping season will be lengthening all the time. It seems to me it is pushing into the middle of December now and that it is tending to start a little earlier each year. If the minister could find someone with the boat facilities who would be prepared to take on the work on a trial basis I wonder if it would be possible for the post office to make an arrangement on a trial basis for one year in order to give this marine post office a try to see whether it is worth while.

I hope later on to have the opportunity of bringing up a further point. I hope the minister will give serious consideration to clearing up the question of the letters marked "personal and confidential"—an endorsement which appears on the correspondence of almost all members of parliament. I have a hunch that this is one of the most broken labels in Canada, and I would like an explanation of why the minister introduced this practice or why he carries it on.

Mr. McLennan: In the few remarks I have to make on this subject I should like first of all to compliment the postmen and the rural mail carriers who battle the elements to deliver the mail as best they can to the Canadian people and who seldom get the credit they deserve.

I should also like to bring to the attention of the Postmaster General once again the very bad service they get in the North Surrey and Delta areas of British Columbia. In these fast growing areas with a population of between 60,000 and 70,000 I understand on good authority it takes at least three days to get first class local mail delivered and up to 10 days to get second and third class local mail. I am told that a letter mailed in Cloverdale to the town of Newton takes a minimum of four days. The ex-reeve of Surrey has told me on different occasions when he was reeve of Surrey and lived in Newton he mailed letters to his home and it was at least four days before they were delivered.

I have in my hand a letter posed in White Rock on January 2, addressed to the local member of the legislature in Surrey, British Columbia. According to the postmark it was delivered on January 12, ten days later. The distance involved is approximately 10 or 12 miles. It may be said that this is an isolated case but I know it is not. I have received hundreds of complaints about similar delays in that area. The historic pony express of the last century, I am sure, gave better service than we often get in North Surrey.

According to the Stevenson Kellogg industrial survey, and the one conducted by the Western Development and Power Corporation it is predicted that by 1970 the area known as Whalley will have a population of over 70,000 and the area known as Newton will have a population of over 50,000. Approximately 45 years ago a post office was established in the Newton area. True it was small with a public lobby of about 100 square feet, with 50 post office boxes and a waiting list of some 200 but with an expanding population which is now over 20,000 various local organizations have been clamouring for years for better facilities. These organizations include the chamber of commerce, the Canadian Legion, the Canadian ratepayers' association and other groups.

The postal officials in Vancouver, aware of conditions, went out and investigated. In company with the reeve they selected property for a new building. Plans were drawn and the former minister of public works announced that a new building was to be erected, construction of which was to commence last fall. You can readily understand the consternation and feeling of disappointment of the people of Newton when the Postmaster General announced that they were not to get a new post office but that he was going to close the existing one and their mail was to be delivered to New Westminster. The minister announced that a subpost office to handle stamps and money orders would be opened in the back of a drug or shoe store. This retrograde step was vigorously opposed by the organizations to which I have referred and by many residents of the community who had worked for years to get better postal facilities and service.

In view of the strong protests the postal officials from Vancouver met with the municipal council and stated that the present plan was drawn up by their field representative but they had an open mind and did not wish to go against the wishes of the people.

Similar statements were made by the Postmaster General in letters he sent in reply to protests he received.

I am at a loss to know how the organizations could put up a stronger protest but the department ignoring the assurances they had given are now proceeding with their plan. In effect, the department have said, "This is the postal service we have decided is best for you and it is what you are going to take regardless of how you feel about it."

At the same meeting with council the officials stated that the subpostal station now located at Whalley was quite adequate to service this large population. However, they later admitted it was much too small and that they had been pressing for larger quarters for several years. From this it would appear they were endeavouring to mislead the public. It is apparent the Postmaster General has again been misled when he states in a letter:

> The time may come when it will be desirable to have a central post office in North Surrey, but such a post office is not required now and the time at which it will be necessary lies a long way in the future.

It is utter nonsense to say that a post office is not required. To support my argument let me read from an article which appeared in the December 22, 1959 issue of the Vancouver *Sun*:

> Mailmen Criticize Inadequate Space—Newton Ratepayers Backed in Drive for Post Office
>
> Newton ratepayers have found unexpected support in their campaign to have a post office built in the South Surrey area.
>
> Their allies—unhappy rural mail carriers.
>
> The men who deliver mail on the rural routes south of Whalley complain that they've been shuffled into inadequate quarters for the Christmas rush.
>
> "The post office people knew two years ago that the North Surrey post office was inadequate," complained one of the rural mail deliverers.
>
> "Because there wasn't enough room for us to work in the North Surrey post office, they put us into the unfinished Whalley Legion building.
>
> When we started last Monday, there were no lights and no toilet facilities. We had to string our own lights. They hooked up one toilet Tuesday, but there are men and women working there, and it isn't enough."
>
> The rural mail carriers say it isn't the local postmaster's fault.
>
> "He's doing all he can with too little space. It's the post office people in Ottawa."
>
> The carriers would also like to know what happened to plans to build a postal station at Newton.
>
> "We heard that the land had been purchased and that money had been allotted for a building."
>
> The only reason we were able to get the inadequate space in the Legion building is because they aren't ready to open to the public yet. What's going to happen next year? We may be in tents, for all we know.
>
> He concluded by saying that the planned Newton post office would have been perfect for the rural carriers to work from, and asked why the plans hadn't been carried out.

I am not criticizing the Postmaster General because I realize he does not know local conditions. However, the hon. gentleman must accept the responsibility for having accepted the wrong advice. The minister must know in view of the number of protests that something is wrong with the postal service in this area. In my opinion what is needed is a postal substation in the Whalley district to handle the large volume of commercial and residential mail in the area and another one in Newton for distribution of the considerable volume of mail throughout this industrial community where many light industries are locating and where the British Columbia Telephone Company has established its central billing office for the whole Fraser valley which will create a considerable amount of mail. These people should be afforded adequate mail service.

I have employed a considerable amount of restraint in presenting this matter. I feel that the population in this area is larger than 50 per cent of the counties in Ontario and I doubt if there is a county in that province that does not have at least a dozen post offices. I feel that the people in the districts to which I have referred are being discriminated against. The residents there are being used as guinea pigs by the postal officials.

I suggest to the minister that he personally investigate the situation in these districts and talk to the people concerned in regard to the postal service they have been receiving rather than consulting with some of his officials who have been leading him up the garden path.

(Translation):

Mr. Meunier: I wish to put the following questions to the Postmaster General: Why did Canada fail to issue a postage stamp in honour of refugees in 1960, while most other countries did so?

We know that 1960 is world refugee year. We also know that out of 40 million refugees, 15 million are still homeless.

Most stamps issued by other countries bear the symbol used by the United Nations, an uprooted tree.

By issuing a stamp, we would have made a charitable and humanitarian gesture. It seems to me that it would have been advisable for Canada to make known to all countries what it has done for world refugees and to point out the support given in the past and still being given to those outcasts of fortune.

Since many countries, 70 to be exact, have issued such a stamp, I ask the minister to tell us why Canada has not issued a refugee stamp.

(Text):

Mr. Weichel: Mr. Chairman, my remarks will be brief. Before asking the Postmaster General a few questions, as a former postmaster I should like to commend him, his deputy, the department and staff on the fine work that is being done and the splendid co-operation I have received, as well as others, in our daily inquiries and occasional problems.

My first question concerns salaries of a district director and area superintendent. These men have a big job to do. My second question is, what consideration has been given to my previous proposals that part-time assistants receive holidays with pay and superannuation benefits?

I was pleased to read in the budget speech of the increased salaries for civil servants. I hope that those working in the Post Office Department throughout Canada in the $6,000 bracket and under will be given first consideration.

Mr. Winch: The last time that this matter came up was May 27. At that time I raised what I thought was a very important question, and just about a minute before we adjourned that day the minister spent about half a minute in replying, and I admit that I said at that time I certainly was not satisfied with the reply. The last words that were said before adjournment were by myself, as found in *Hansard* at page 4306, where I said:

> I should like to continue this discussion when these estimates come up again. The minister cannot get away with that type of fast answer on this important subject.

I am taking this opportunity to do what I said I was going to do and to ask for more consideration and a more detailed answer from the minister on a subject which I think is of the utmost importance.

I should like to thank the minister for having supplied us on May 27 with a cost ascertainment table for the fiscal year 1958-59. I should like to refer to this table. In a study of it we find that on first-class mail the Post Office Department made a profit of 1.827 cents per piece handled; on domestic air mail there was a profit of 17.665 cents per piece handled. But if you go to second-class mail you will find that on the transient there was a loss of 9.339 cents per piece and on publishers there was a loss of 4.084 cents per piece.

In an answer to a question during this session the minister himself stated that in 1958-59 disbursements over receipts amounted to $21,690,000 for newspapers and periodicals. The answer is to be found in *Hansard* of this year at page 1641.

I have maintained, and this group maintains, that it is not right in the Post Office Department for the first-class ordinary and first-class air mail to be subsidizing the publishers; that is, the newspapers and the periodicals of this country. If it is not possible for that phase of the Post Office Department's operations to stand on its own feet and if it does require a subsidy, then that subsidy should not come from the users of ordinary and domestic air mail, it should come from the treasury of the Dominion of Canada. I made a statement to that effect when I spoke on May 27. What was the reply of the Postmaster General? I quote from page 4306 of *Hansard* of May 27. In the second column, half way down, this is what the minister had to say:

> Finally, so far as publishers' mail is concerned, the distribution of publications, I would merely say to him that this operation shows up as a loss on the operating statement of the Post Office Department.

I want to emphasize what the minister said on May 27. I continue:

> However, I take the view, and past governments have done, and I am sure succeeding governments will do, that we have a responsibility to enable the free and easy flow of information to all people in this country, and that magazines, books and newspapers, as well as other printed material of this sort, which helps to inform our people and raise the level of information, are entitled to consideration when postal rates are set.

The minister made it clear in that statement that as far as he is concerned as Postmaster General the delivery of newspapers, magazines and other publications of that nature, because it is a service of information to the people, has to be considered when the rates are set, and I am sure, therefore, he has no objection whatsoever—he is not suggesting any change—to their being subsidized, as his own figures prove, by the first-class ordinary mail and the domestic mail in Canada.

Perhaps the Postmaster General may ask why I said at that last minute on that day that he was not going to get away with that kind of a fast reply. I said that because I cannot understand—I think he owes a statement to the committee and to the people of Canada—why he has so completely changed his policy and point of view between the time he sat on this side of the house and becoming the Postmaster General. In the years that he sat on this side of the house he rose in his place and declared time after time that on this specific issue the carriage of newspapers, magazines and other publications should not be a charge on any other phase of postal deliveries; that if they required anything in the way of a subsidy it should come from the national treasury.

I think it is absolute hypocrisy, Mr. Chairman, for a man to sit for years on this side of the house and make declarations which

I took in honesty, in sincerity and in principle, and then when he has the power to do something about it to deny the principle which he has espoused. I am going to prove that that was the minister's principle by reading from his statement in *Hansard*. There are several of them but this is the most definite one. I refer to *Hansard* of 1953-54, volume II, January 14, 1954, at page 1117. The hon. member—he was not then a minister—started his speech on page 1115, at the top of the page, left-hand column. Here is what he had to say on the particular issue I am discussing, at page 1117, at the bottom of the first column of that page:

> There is every reason in the world why this $13½ million should be spent for what it is being spent for, but there is absolutely no reason why it should be charged to other users of the post office services. We should not load one class of mail with the costs of another class but we should rather bring out into the open and pay from general government revenues any special costs of this in the operation of a department.

How much more definite can a person be than the minister was when he made that statement at the time he sat on this side of the house? Yet when he is in a position to do something about the matter he no longer talks about it not being charged against other classes of mail or about it being paid out of general government revenues, something for which he fought so hard, wonderfully and eloquently when he sat on this side of the house.

Mr. Hamilton (Notre Dame de Grace): May I ask the hon. member a question?

Mr. Winch: Yes.

Mr. Hamilton (Notre Dame de Grace): Was that not in the debate at the time the former government was proposing an increase in the postage rate and was this not one of the arguments used against instituting that increase?

Mr. Winch: Absolutely, but how does that change what the minister said about the principle? He said that we should not load one class of mail with the cost of another class and that we should bring the matter out into the open and pay any special costs of this kind in the operation of the department out of general government revenues. There was an increase in the postage rate then, but according to the information the minister gave us on May 27 we still have the position where one class of mail is not meeting the cost whereas a profit is being made from first class ordinary and domestic air mail. The minister also said on May 27, and I read his statement, that the dissemination of information by way of magazines, newspapers and other publications has to be considered but he did not say anything in line with what he has said so often in the house in the past about the profits from other services not having to bear the deficiency incurred with respect to this service. The Postmaster General when in opposition was the chief critic of the Liberal postmaster general and I heard him say many times that that kind of cost should be met out of the general revenues of Canada.

I say that this is an important issue. I say that the Postmaster General has completely reneged on what to him was a matter of principle when he sat on this side of the house and that in all honesty he should bring in changes as soon as possible in line with his criticisms of his predecessor.

Mr. McGrath: Mr. Chairman, I have a few comments to make on the main item of the minister's estimates. I wish to draw the attention of the committee and more especially that of the minister to a situation in my province with regard to what are known as revenue post offices. For some strange reason the minister's department adopts the attitude that the small post office buildings in small settlements in the province, which were owned by the government of Newfoundland prior to union and hence were transferred to the government of Canada after union, should now be replaced by modern post office buildings which are most adequate to serve the needs of these particular areas. This often results in much larger settlements, some of them fairly close to these settlements which have the advantages of post office buildings, still having to put up with small inadequate postal services which in most cases are provided by the postmaster in his own premises.

I understand that the ruling of the Post Office Department is that where the revenue is in excess of $3,000 the Post Office Department will then consider the establishment of what is then known as a semi-staffed post office. If I am wrong I am sure the minister will correct me. Under these circumstances the Department of Public Works can be authorized to erect a new building. This might be very appropriate for certain areas of the country but in a province which is largely rural, although not in the sense of the word as it is understood elsewhere, and where post office services are most important and there are many small settlements spread along the extensive coastline, I submit that this rule should not necessarily apply.

I can give examples in my own constituency of certain areas. Granted that there may be three or four settlements in an area, but for all intents and purposes small postal facilities should be considered in the light of the aggregate amount of revenue. If this approach

were adopted I think it would be found that we would be able to have decent postal facilities in the province.

Last year the Postmaster General visited our province and he saw some of these facilities at first hand. I am sure he fully realizes what I am talking about. We only have a very few urban areas in comparison with other provinces, and under this ruling of the Post Office Department whereby the revenue has to exceed a certain amount the settlements to which I have referred will never qualify for new post offices. I hope the Postmaster General in his wisdom will take this problem under advisement and will perhaps see fit to reopen the whole question of just when an area should qualify for a post office building because this service is a most important one and usually in these settlements the post office is the focal point or centre for the entire community. Because the Postmaster General has seen some at first hand I do not have to tell him about some of the premises that are being used by postmasters. They cannot provide better premises because in many cases the only revenue they get is a few hundred dollars a year. I submit to the Postmaster General that he should have his department look into this matter.

Mr. Pickersgill: I should like to say a few words to support unreservedly every word uttered by the hon. member for St. John's East. I even tried to melt the hearts of my colleagues when we were in office on this very question and I have bombarded both the minister and the Minister of Public Works very persistently about this matter ever since the new government was formed. I should like to add one argument to what the hon. member said. In view of the fact that we have almost no rural free delivery in Newfoundland, which exists in all the other provinces—I have also urged the minister to look into that matter—what would be even more appreciated in most settlements is some relaxation of the rule that is applied on the mainland so that we will not have these anomalies where for historical reasons new post offices are built by the government in settlements much smaller than other settlements that are denied them simply because there was not one there before 1949. I might add that I am quite willing to make a bargain with the minister that if he will construct a building in Hare Bay I will be very happy if he has my defeated opponent make the announcement.

(Translation):

Mr. Dupuis: Mr. Chairman, may I just say a few words with regard to statements made by the Postmaster General (Mr. Hamilton) on May 27 last, when he made a long speech with lots of statistics. At the very outset of his remarks, the minister made a statement that does not show him up as very humane. Here is what he said, as recorded on page 4277 of *Hansard* for May 27, 1960:

> —never since confederation has it been possible for a postmaster general to record in one annual report, as I will today, such a wide range of new development and progress both internally and in service to the public.

Well, Mr. Chairman, I find that there is a rather important point lacking in the minister's statement. It is recognized that when he sat on the opposite side, the present Postmaster General used to set himself up as the champion and defender of postal workers, and spent hours demanding fair treatment on their behalf. However, in his long speech of May 27, 1960, he did not see fit to refer even once to the position in which they find themselves today. I was particularly struck by one sentence in his speech, which is recorded on page 4277 of *Hansard* for the same date. I quote:

> —various other matters, some of which I will deal with in my report and others which I will not —never since confederation has it been possible

Mr. Chairman, I think the matters the minister did not even have time to mention are precisely those relating to the welfare of his departmental staff. The minister reviewed the great achievements of his department; its reorganization, the creation of a comptroller's branch, and on the matter of equipment, developments in stamp-vending machines, mailmobiles, delivery carts, plastic mailboxes and an increase in accounting post offices.

Those are strictly material matters, Mr. Chairman, and I ask the Postmaster General to give some thought to the human aspect of his department, because post office employees are in a sad plight and are clamouring for salary increases.

A very definite question was put to the minister the other day; I shall put it to him again. Fifty thousand civil servants have been or will be granted a salary increase this year by the federal government. I ask the minister to tell us how many post office employees, out of those 50,000 civil servants, have obtained a similar increase.

Every day, like many of my colleagues on this or the other side of the house, I receive

representations from post office employees, asking for the salary increase to which they are entitled.

It seems to me that the Postmaster General who, when he sat on this side of the house, used to feel sorry for the underpaid civil servants shows little inclination to devote as much time and energy defending the human beings employed in his department since his appointment as the minister of promises. He refers to machinery and electronic mail sorting or automatic segregator machines but he completely overlooks the salary increases which he had promised postal employees.

I find, for instance, that postal workers did not get a single increase since the Conservative party has been in power. The pay boost they received immediately after the present government's election had been recommended by the previous Liberal administration.

Well, Mr. Chairman, I declare without any hesitation—and the minister might note my words—that postal workers are the least paid employees in the whole civil service, in relation to their duties and the work they perform. Can the minister tell us why those employees get no attention from the present government despite their repeated representations? I have no intention at this time to remind the minister of all the requests made. He is more familiar with them than I am, and the hon. member for St. Denis (Mr. Denis) covered the subject on May 27 last. I might, however, ask the minister to forget his machines for a moment. Otherwise, as pointed out earlier by the member for St. Denis, he is apt to become known as the "electronic minister". Let him think of the human beings employed by the government and particularly by the Post Office Department and come out and state whether or not the civil servants in his department can expect a raise and better treatment.

I know several postal workers who are forced to work on the sly at night, to earn a living and make both ends meet. The cost of living is steadily rising. Everything is higher, except the salaries of our civil servants, and if we had been able to examine the civil service commission report, we would surely have found in it recommendations of greater assistance to postal workers.

Would the minister therefore tell us in his remarks whether post office employees are justified in clamouring for salary increases—I think they are—and why their claims are unheeded when they ask the Post Office Department for a salary increase.

I should like the minister to note these remarks.

(Text):

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, after an hour and three quarters spent in listening to these recriminations and complaints, I have to remind myself, and perhaps the committee at the same time, that as I suggested in my opening remarks we are now delivering more mail with fewer complaints than ever before in the history of the post office. In the past two years we have had more new developments and progress, both internally and in service to the public, than in any other similar period in our history. I think it is well that these two things should remain in the minds of the people in this chamber. There are few of us who are perfect, except perhaps the post office critic of the opposition. I was in that position when I sat over there. Now that I occupy this post I realize how fallible human beings and large organizations are. Possibly some of the criticisms which were made here this afternoon have been made year after year to minister after minister under government after government because it is impossible to take any tremendously large organization and make it, to use a phrase, letter perfect. However, the fact does remain that we are doing a better job now than ever before in our history.

I should like, if I could before six o'clock, to answer the points which have been raised, perhaps briefly. The hon. member for St. Denis, referring to my remarks in the United States and connecting them with the post office, said that the solution to this entire problem was to raise rates on United States printed material coming into Canada.

Mr. Denis: I did not say it should be, but it might be.

Mr. Hamilton (Notre Dame de Grace): He forgets, of course, that this material is mailed in the United States where we have no control whatever over the rates and under the international postal agreement we are obliged to accept this matter at the Canadian border and deliver it.

He made a remark today about the electronic machine and the way it was chewing

up the mail. I might point out to him that this is amusing because the electronic machine, as I pointed out in my earlier remarks, is not yet in operation. He speaks about Univac, which he says comes from England. It is evident he is getting his information from the wrong source. This machine is produced by the Remington Rand Company in the United States. The hon. member will be interested that it has absolutely nothing whatever to do with the processing of the mail. It is a calculating machine and computer and is used in connection with our post office savings bank and money order business.

In so far as the mailmobiles are concerned, I think it is quite safe to say, and draw the inference from my earlier remarks as well, that this has been a successful experiment and we will be continuing to enlarge the use of these vehicles. As I pointed out, at the moment we are comparing United States built vehicles and Canadian built vehicles. There is no final decision yet as to the type of vehicle that will be used. Unlike the hon. member for St. Denis, I am not one who wants to buy and use equipment in large quantities until I have found out that it is going to be the best equipment and the most satisfactory.

To turn to the hon. member for Port Arthur may I say this? I thank the hon. member for Port Arthur and other hon. members who have spoken for the thoughtful remarks they have made. The hon. member for Port Arthur referred primarily to the football pools and to a campaign of the last two years. Actually this has been a continuous process for a long period of time. The simple and full answer is that under sections 177 and 179 of the Criminal Code these sports pools and lotteries are illegal. It is a decision of parliament. I therefore have an obligation not to accept this illegal material for transmission in the mail. The course open to the hon. member for Port Arthur, if he wishes to change it, is merely to have parliament change the Criminal Code.

We will consider the situation so far as Sioux Lookout and Hornepayne are concerned with respect to the use of group boxes there.

He had an observation to make on our rural lists. We keep these lists as much up to date as possible and they are corrected periodically by the local postmaster. However, it is almost an impossibility with our changing population to have these lists always correct.

He referred to the delivery of mail arriving in the city—that is the letter carrier delivered mail—after the letter carriers have left. May I say that we schedule our transportation facilities as much as possible to have mail arriving into cities in the morning and we adjust our letter carrier services to fit into this pattern. However there are always going to be locations and times when mail will arrive after the letter carrier has left. The easiest answer for business firms that require mail immediately, as many of them do, is to take post office boxes in the local post office. We will see what can be done about a marine post office at the lakehead.

As far as the hon. member for New Westminster is concerned, I appreciated his remarks and I know how much consideration he has given to this subject and what a problem it is to him. It is a problem to us as well. I would point out to him that this entire area has been offered in the last few months vastly improved mail service through the provision of letter carrier service, if my memory serves me rightly, to some 6,000 people or 7,000 people in that area. This is a tremendous improvement for these people over having to go to some local post office and pick up their mail themselves, as so many of them had to do in the past.

I believe he also knows that we are looking at the question of a post office building for that area. However, we do not want to be drawn into the erection of a building on a specific location in an area which is expanding and growing as rapidly as is that one until at least there is some firm indication as to the pattern of growth which is going to take place in the years ahead. I think we are borne out in this course by the very fact that their own local county council, or whatever the organization is which had planned the building for their governmental purposes, has delayed construction of the building at least for the present until they can see more clearly what the development is going to be.

The hon. member for Papineau asked me about a world refugee stamp. I am also sorry that we could not produce one. The time was a little bit too short for that purpose from the time when we were requested to do so and particularly the issue would have conflicted with two other stamps which were no more important, I admit, but for which we had committed ourselves a considerable time ago. I would point out, however, that

we are using widely across Canada in our cancelling machine cancellations in support of world refugee year.

I thank the hon. member for Waterloo North for his helpful observations and I will see what can be done about the matters he mentioned.

As far as the hon. member for Vancouver East is concerned, I answered as completely as I could the points that he raised when I was last on my feet on May 27. This is a question of opinion and I expressed my opinion, at that time.

As to the hon. member for St. John's East who spoke about revenue post offices in Newfoundland, may I say that we can have but one policy for buildings right across Canada. I think the weakness in the suggestion he put forward—and I say this without any criticism—was contained in his own observation that in these areas where they would like to have a government building constructed they cannot afford one for themselves and the postmaster cannot afford to put a special one up because his revenue is only a few hundred dollars a year. In these circumstances there is very little point in putting up a special government building. We depend upon local quarters provided by the postmaster. If there is any change in this principle it will apply just as well to Newfoundland as it will to all other parts of Canada.

The hon. member for St. Jean-Iberville-Napierville inquired with regard to salaries of employees in the Post Office Department. He will perhaps recall that the Minister of Finance had indicated that this matter would be given very serious consideration. I am hopeful that an interesting announcement will be made in that respect when an opportunity for this consideration has been available to the bodies which must do so. As he knows, the present practice is to examine government employees group by group and to make recommendations. The first of these have been acted on and others are coming forward steadily.

Mr. Winch: I should like to ask the Postmaster General a question. In 1954 the anticipated losses to the Post Office on the delivery of magazines or newspapers was $13¼ million. At that time the Postmaster General, who was then in opposition, said this should not be a charge on any other phase but should come out of the national treasury, according to his own figures. Last year the loss on magazines and newspapers was $26 million. Has he changed his opinion or his principle in that period of years on the same matter?

Mr. Hamilton (Notre Dame de Grace): The answer to that question is quite simple. I would refer the hon. member to what was said at the time those remarks were made. We were being asked to authorize or to approve an increase in the postal rate. At that time I made it quite definite that I was opposed to that increase in the postal rate. Under those circumstances, those remarks apply today and I see no necessity to ask the house to authorize any increase in the first-class postal rate.

Mr. Winch: May I again ask this question straight from *Hansard*? If the hon. member wants to do so he can look it up there. When he spoke at that time it was on the principle of the charge of one delivery as against another and he objected to the principle of $13¼ million being charged to the delivery of magazines and newspapers. Where is the difference in principle with the loss of $26 million?

Mr. Hamilton (Notre Dame de Grace): I objected to the principle of an increase in postal rates at that time.

The Chairman: Shall I rise, report progress and ask leave to sit again?

An hon. Member: Can we carry the first item?

Some hon. Members: Six o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Perhaps the leader of the house could indicate what the order of the departments whose estimates are to be called will now be for the next few days.

Mr. Churchill: Tomorrow we shall start with the Department of Citizenship and Immigration. On Friday, in view of the changes that were made today, I think we will start with the estimates of the Department of Transport, already considered in part, and finish them off. If spare time develops on either of the two days, we have the post office, the Department of Mines and Technical Surveys and the Department of Fisheries available.

Mr. Pickersgill: In that order?

Mr. Churchill: Yes.

It being four minutes past six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, June 9, 1960

The house met at 11 a.m.

TRANSPORT

PROVISION FOR JURISDICTION OVER EXTRA-PROVINCIAL MOTOR CARRIERS

Mr. Gordon Chown (Winnipeg South) moved for leave to introduce Bill No. C-75, to amend the Railway Act and to repeal the Motor Vehicle Transport Act.

Mr. Chevrier: Explain.

Mr. Chown: The purpose of this bill is to give jurisdiction to the board of transport commissioners for Canada over the tolls and tariffs of motor carriers engaged in the business of carrying passengers and goods extra-provincially.

Motion agreed to and bill read the first time.

TRADE

CANADA-U.K.—INQUIRY AS TO DISCUSSION OF FREE TRADE AREA

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister whether in the discussion he or members of the government had with the president of the board of trade of the United Kingdom the question of a free trade area as between Canada and the United Kingdom, or on a wider basis, came up for discussion.

Right Hon. J. G. Diefenbaker (Prime Minister): In so far as I am concerned, this subject was not discussed.

Mr. Pearson: May I direct a supplementary question to the Prime Minister and ask him whether he agrees with the statement reported to have been made by the president of the board of trade that this matter is now dead, that is the original United Kingdom offer.

Mr. Diefenbaker: I have not seen the statement allegedly made by the minister, but my answer to the first question still stands.

HOUSING

ST. JOHN'S, NFLD.—REPORTED STATEMENT BY PREMIER RESPECTING APPOINTMENT OF AGENT

On the orders of the day:

Mr. J. A. McGrath (St. John's East): I wish to direct a question to the Minister of Public Works, notice of which has been given. Is the minister aware of the statement made by the premier of Newfoundland on May 26 to the effect that the city of St. John's will not be appointed the agent of the province until the provincial government is assured that the federal government will amend the National Housing Act to make it lawful for the federal government to deal with the city of St. John's as the agent of the provincial government? Would the minister care to comment on this statement?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, from time to time I read many things that the premier of Newfoundland says, and I want to thank the hon. member for St. John's East for bringing this statement to my attention. Premier Smallwood seems to feel or has expressed the view that he feels it will be necessary to amend the National Housing Act before an agreement can be executed with the province and the city of St. John's as its agent.

This is not the case. Section 36 of the National Housing Act clearly states that Central Mortgage and Housing Corporation may undertake federal-provincial projects with the government of any province or any agency thereof pursuant to agreement made between the government of Canada and the government of the province. No amendment of the National Housing Act is required and, indeed, two federal-provincial projects have already been carried out with municipalities acting as the agent of the provincial government concerned. The city of Montreal is provincial agent for the Jeanne-Mance project in Montreal, and for the first federal-provincial project built in Nova Scotia the city of Halifax acted as provincial agent. This is well known to the premier of Newfoundland and I commented on it, as found on page 3630 of *Hansard* for this session. His minister, of course, was aware of it as long ago as March 10, 1959.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I could ask the minister a supplementary question. Can the minister say whether it will be necessary, in order to implement such an agreement with St. John's, to have an agreement with the provincial government?

Mr. Walker: There is nothing more to explain, Mr. Speaker.

Mr. McGrath: Is the minister also aware that at the same time the premier of Newfoundland said that the minister would not

even make a good office boy for the Newfoundland attorney general?

Mr. Speaker: Order. It has been suggested that this question perhaps ought to be put on the order paper—

Mr. Pickersgill: The premier's judgment is very sound.

Mr. Speaker: —but it does not appear to be within the administrative responsibility of the Minister of Public Works.

GRAIN

INQUIRY AS TO ASSISTANCE FOR WESTERN PRODUCERS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to address a question to the Prime Minister. In view of the advanced stage of the session, is he able to report any progress in working out some scheme to provide assistance to the western grain growers in accord with their request?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, a request has come from the liaison committee of the western farm organizations for a meeting with members of the cabinet. Arrangements will be proceeded with at once for the convening of such a meeting at an appropriate time.

PENITENTIARIES

KINGSTON—REPORTED ATTACK ON MATRON BY INMATE OF WOMEN'S PRISON

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Justice. I apologize for not sending notice, so perhaps he can take this as notice. Is the minister able to give the house any statement about the reported attack by an inmate of the women's prison at Kingston upon a matron, having in mind overcrowding and any other circumstances that may have contributed to the attack, the condition of the matron and the disciplinary steps which may have been taken following the attack?

Hon. E. D. Fulton (Minister of Justice): I am sorry I am not able to give a full reply to the question because I do not have a complete report on the incident. I can say, however, with respect to overcrowding that, as I have stated previously, practically every one of our institutions is overcrowded. Steps are being taken to relieve the situation in the women's prison at Kingston by the construction, which I believe is now under way, of an additional dormitory.

[Mr. McGrath.]

With regard to the incident in question, I will obtain a full report and advise the house at the first opportunity.

NATIONAL PARKS

REPORTED REVISION OF GOLF COURSE FEES

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to direct a question to the Minister of Northern Affairs and National Resources, whom I am glad to see in his seat after his return from Saskatchewan.

Mr. Fulton: His seat is perfectly safe.

Mr. Martin (Essex East): My question is based on a release of today's date by the Minister of Northern Affairs and National Resources. It is marked "for immediate release" and reads as follows:

> Resources minister Alvin Hamilton announced today a further revision in the fees charged at national parks golf courses.

My question is, is the revision downward?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Yes, Mr. Speaker.

WATER RESOURCES

WATER POLLUTION—INQUIRY AS TO DISCUSSION AT CONSERVATION CONFERENCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to address a question to the Minister of Northern Affairs and National Resources. I apologize for not sending him notice, but it has just come to mind. Is the question of lake, river and water pollution generally going to be one of the subjects discussed at the proposed conference on conservation?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): This subject is covered by background papers now being prepared in preparation for the conference. After these background papers are prepared a special committee will pick out the gist of these papers and decide which of these will make up the items on the agenda for discussion by speakers at the conference. Certainly water pollution will be one of the subjects before that conference.

FISHERIES

EAST COAST—REPORTED FINING OF CANADIAN TRAWLER WITHIN 12-MILE LIMIT

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Minister of Fisheries. Has the minister seen a

report that a Canadian trawler off the east coast of Canada was fined $50 and costs for fishing there while foreign trawlers are permitted to fish in the same waters? If so, will the minister say whether this situation will be allowed to continue?

Hon. J. A. MacLean (Minister of Fisheries): I have not seen the article in question, Mr. Speaker, but it is quite possible that such a situation might arise if it were outside of Canadian territorial waters. In such areas, of course, we have no jurisdiction over foreign fishing vessels. Section 55 of the Fisheries Act, which was approved years ago by parliament and is still part of the act, prevents certain types of large Canadian trawlers from fishing in certain areas within 12 miles of our shore.

Mr. Tucker: I might inform the minister this was well within the 12-mile limit.

EXTERNAL AFFAIRS

INQUIRY AS TO DISCUSSIONS RESPECTING 12-MILE ZONE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Secretary of State for External Affairs whether he can make a report to the house on the progress of discussions between Canada and other governments with a view to the agreed extension of the jurisdictional sea zone to 12 miles for those countries which accept that width?

Hon. Howard C. Green (Secretary of State for External Affairs): Certain preliminary discussions are under way, but I am not in a position to say anything further at this time.

AIR TRANSPORT

CANADA-U.S.—DISCUSSION OF RENEGOTIATION OF AGREEMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister. I should like to ask him whether, in view of the unsatisfactory position of the bilateral air agreements between Canada and other countries, he was able to discuss with the President of the United States when he met with him the other day the question of renegotiation of the Canada-United States bilateral air agreement so as to give to Trans-Canada Air Lines the right to fly from Toronto to Miami and also the right to fly non-stop from Montreal to Chicago, in order to offset the advantages which two foreign air carriers get between Montreal and Chicago in so far as Trans-Canada Air Lines are concerned.

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): Before I give a direct answer to the question, Mr. Speaker, may I say that I do not accept the thesis as to the unsatisfactory character or as to the disadvantages to which the hon. gentleman has made reference. However, I would say that that subject was not discussed between the President and myself.

Mr. Hellyer: You missed a great opportunity.

OIL

ARCTIC DEVELOPMENT PROGRAM—REPORTED WITHDRAWAL OF U.S. CAPITAL

On the orders of the day:

Mr. Hubert Badanai (Fort William): On May 18, Mr. Speaker, I directed to the Minister of Northern Affairs and National Resources the following question:

> According to a New York publication, United States capital is pulling out of Canada's Arctic oil development program because of new tax regulations imposed by the Canadian government. Is the minister in a position to say whether or not United States companies are withdrawing their financial support of Arctic oil exploration?

The minister answered as follows:

> No, Mr. Speaker, the minister is not in a position to say. The deadline for the taking up of applications for permits in the north does not expire until next month.

I wonder whether the minister is now in a position to advise the house as to the number of applications taken up and the number of applications which have been dropped.

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): The deadline for picking up priorities under the permits is June 24. No company would take those permits up before the last possible moment because of the fact that it would add to their expense by having to pay interest on the deposits, so we will not know where we stand until June 24.

NATIONAL DEFENCE

NORAD—PARTICIPATION OF CANADIAN FORCES IN U.S. ALERT EXERCISE

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I would like to direct a question to the Minister of National Defence. Can the minister say whether Canadian components of NORAD were placed on test alert yesterday, as reported in an Associated Press dispatch from Colorado Springs?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, there was no test alert of any Canadian units yesterday.

Inquiries of the Ministry

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. Frank Howard (Skeena): I wonder if I might direct a question to the Acting Secretary of State along the same lines as the one I asked him on June 7, with respect to his making inquiries regarding certain returns, three in number, which had been passed during the month of February.

Hon. Leon Balcer (Acting Secretary of State): I will inquire about these returns, Mr. Speaker. As far as those which the hon. member mentioned the other day are concerned, I have inquired and been advised that two of them will be tabled within a week and that the other one is under consideration now.

UNEMPLOYMENT INSURANCE

REQUEST FOR INCLUSION OF NON-PROFESSIONAL HOSPITAL WORKERS

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Labour whether it is a fact that the national union of public employees today urged upon the Prime Minister, the Minister of Justice and the Minister of Labour that some 90,000 non-professional hospital employees be brought within the jurisdiction of the unemployment insurance commission?

Hon. Michael Starr (Minister of Labour): That is the fact, Mr. Speaker. Such representation was made and the matter has been constantly under consideration to see whether these people can be included within the jurisdiction of the unemployment insurance commission.

INQUIRY AS TO SALE OF BONDS IN PORTFOLIO OF FUND

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Finance whether he is now in a position to give an answer to the question I put to him yesterday, as to whether or not the Bank of Canada was selling long term bonds of the unemployment insurance commission and purchasing treasury bills with the resulting funds.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I thought I indicated yesterday that the Bank of Canada, as such, does not undertake this operation. They act as agent for certain purposes. I understood that the hon. member then pressed his question on my colleague the Minister of Labour, and an indication was given to him that he might well put his question on the order paper and receive complete statistical information.

[Mr. Pearkes.]

Mr. Martin (Essex East): On a question of privilege, Mr. Speaker, I would remind my hon. friend that he stated he was willing to give an answer to my question. The question to the Minister of Labour was on another point altogether. I told the Minister of Finance yesterday that he was the last person in this house I would criticize, and I would not want to revise that statement in view of the reply he has just given today. May I ask the Minister of Finance whether, in view of this explanation, he wishes now to indicate that he proposes to answer the question; because if the Bank of Canada is selling long term bonds this is an indication that the Bank of Canada is greatly concerned about unemployment in the future.

Mr. Speaker: Order. The hon. member is going too far with his statement. If he wants to ask the minister again whether he would review it—well, he has asked that question.

Mr. Martin (Essex East): I will ask it. Will the minister give some indication as to whether or not he proposes to give this information?

Mr. Fleming (Eglinton): I will re-examine what was said yesterday in the hope that the hon. gentleman may not feel disposed to revise the opinion he expressed yesterday.

IMMIGRATION

REQUEST FOR MEETING WITH REPRESENTATIVES OF CHINESE COMMUNITY

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I might ask the Prime Minister whether he has received a request from any group of the Canadian Chinese community asking for an interview to discuss the current investigation into alleged illegal entries of Chinese into Canada.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, my recollection is that the suggestion was made for such a meeting. As to the particulars, I have not got them before me at the moment.

Mr. Pickersgill: Could I ask the Prime Minister whether any arrangements have been made for such a meeting?

Mr. Diefenbaker: I have not that information.

Hon. Paul Hellyer (Trinity): A supplementary question. Will the Prime Minister agree to arrange such a meeting at his earliest possible convenience, in order that a matter which is in the minds of the Chinese community can be discussed so there will be no undue reflection on the community at large?

Mr. Diefenbaker: With regard to the desire that there should be no undue reflection on the community, may I make it perfectly clear that there is none. So far as the earlier part of the question is concerned, the answer I gave to the hon. member for Bonavista-Twillingate is complete.

CANADIAN BROADCASTING CORPORATION

RENE LEVESQUE—REPORTED INTENTION TO RE-ENGAGE FOLLOWING PROVINCIAL ELECTION

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): I should like to ask a question of the Minister of National Revenue or, in his absence, of his parliamentary secretary. Can he inform the house whether it is true that the Canadian Broadcasting Corporation in Montreal has promised one Rene Levesque to double his salary upon his return to its employ after his defeat as a Liberal candidate on June 22?

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

46. Departmental administration, $824,266.

Mr. Pickersgill: I wonder whether the hon. lady would be agreeable to having item 46 stand, as was done last year, and having item 50 called in order that we could have a debate on immigration. Then the item on Indian affairs could be called and we could hold the administrative item until the end. I might say I think I can speak for my friends in the house when I say we would not, if that were done, renew any general debate on the administrative item.

Mrs. Fairclough: Mr. Chairman, I am quite agreeable to that course. I only suggest, though, that at the conclusion of item 53 we might take the citizenship branch and then take Indian affairs after that.

Mr. Pickersgill: I am sure that would be quite agreeable to us.

The Chairman: Does the committee consent to the procedure outlined by the minister?

Mr. Herridge: This comes rather out of the blue to us, but I presume our group would agree to the proposal. I might say, Mr. Chairman, that these arrangements are not fair to speakers who come down to the house—and we have one—prepared to speak on the departmental administration item. He has other duties to perform; he is very busy, but I suppose we are agreeable.

Mr. Pickersgill: Perhaps I might say on that point that I did speak to one or two members about this yesterday before speaking to the minister.

Mr. Howard: That may be true, but it is not always possible to contact everyone and communicate this information. That has caused the difficulty.

The Chairman: Shall items 47, 48 and 49 stand?

Some hon. Members: Agreed.

Item stands.

50. Administration of the Immigration Act, $1,219,129.

Mr. Pickersgill: Mr. Chairman, is the hon. lady going to make a speech?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Chairman, I think it is appropriate that at this time I should outline some of the views of the government on the matter of immigration. Canada is a nation of immigrants, and immigration policy has always been a prime concern of Canadian governments. Since June, 1957 this government has been carefully reviewing immigration legislation, policy and administration; not to make changes for the sake of change alone, but to arrive at some basic principles upon which to build a national immigration policy. I believe that as a result of the experience we have gained we are now approaching the point where we should be able to offer to the house specific proposals which will translate desirable principles into legislative form.

Already, of course, during the past few years a number of significant changes in policy and in administrative procedures have been made. Some of the most important steps taken by this government have been as follows:

1. One of our first moves after taking office was to change the regulation which had formerly prevented Canadian residents of Asian origin from sponsoring the admission of their spouses and children until they became Canadian citizens.

2. Next, the immigration appeal board was strengthened and its scope expanded.

3. A new policy governing temporary residents of Canada was announced in August, 1958 which made it possible to regularize the status of several thousands of persons who had previously entered the country on a non-immigrant basis.

4. In co-operation with the provinces, significant improvements were made in measures providing for the welfare of immigrants after arrival.

5. Another important change, which I announced to the house only last month,

simplified the arrangements by which residents of Canada may bring fiancees to this country. This beneficial change affects particularly Chinese and Japanese residents by freeing them from the necessity of posting large cash bonds before their fiancees can come forward.

Canada needs immigrants for many reasons, the most obvious of which is to provide skills and training necessary for the development of the country. Less apparent to many Canadians are the other immediate and long range advantages of immigration which I would like to summarize as follows:

1. We need a steady flow of immigrants to balance and offset emigration from the country, which, although decreasing, is still substantial.

2. Many immigrants bring productive capital to Canada, and establish businesses and enterprises which employ Canadian as well as immigrant workers.

3. A small population in a large country results in a high per capita cost of maintaining transportation and communications facilities, defence and many other public services. Population growth, through natural increase and through immigration, helps to offset this.

4. As our population grows, the resulting expansion of the domestic market encourages the attraction and development of units of production which cannot be based economically on a far-flung, low-density market.

5. A steadily growing consumers' market in Canada, reinforced by immigration, reduces this country's dependence on imports and exports, and consequently makes our economy less sensitive to economic fluctuations outside our borders.

6. New population stimulates economic, cultural and social activity, and makes possible for old and new Canadians alike the achievement of a higher level of cultural independence and creativity.

These are some of the reasons from Canada's own point of view why we need to continue to encourage a steady flow of suitable immigrants to this country. There are, of course, other considerations as well which we must also take into account, among them being our relationships with other countries and our responsibilities as a member of the larger international community.

How then do we proceed to develop an immigration policy and program which will reflect in practical fashion the various considerations I have just outlined? Obviously we cannot simply go ahead and bring to this country everyone who may wish to migrate, without regard to possible effects on our Canadian people or on the immigrants themselves. Canada, it seems to me, has a responsibility to admit newcomers in accordance with our ability to provide opportunities for them and the capacity of our society to integrate them socially and economically.

Since we cannot take all those who might wish to live in Canada, we should admit those who are able to make a positive contribution to Canadian life, not simply in economic terms but in terms of what the immigrants can be expected to add to the variety and attractiveness of our society. The number of immigrants we can take at any one time will depend upon the rate of development in Canada and the capacity of our various levels of government to deal with the many problems arising from growth. The government aims at a policy of vigorous national development which will create new opportunities, not only for Canadians but also for those who will join us as immigrants.

Against the background of these larger considerations of national development policy it becomes clear that whatever may have been the practices and policies of earlier decades, we can no longer trust to chance to bring immigrants to our shores without counsel or guidance. We must continue by every reasonable means to develop and maintain a substantial flow of highly suitable immigrants, and at the same time avoid haphazard or arbitrary stimulations or restrictions of that flow, in other words the sudden turning on and off of the immigration tap which on occasion has given rise to difficulties in the past.

Immigrants coming to Canada must be prepared for what they will face here and be ready to properly accept their responsibilities and exercise their rights in Canadian life. Immigrants should be encouraged to go to those areas in Canada in which new population is most needed and where opportunities exist, rather than to congregate in the already overcrowded areas. It should at all times be our policy to take those measures which are necessary to ensure the prompt and effective integration into Canadian society of those whom we admit. This will be to the advantage of all Canadians, as well as promoting the unity of Canada itself.

It is of course the prerogative of Canada to decide who is to be admitted as an immigrant. No one has an absolute right to demand admission. If the government is to carry out an energetic, forward-looking immigration program, decisions must be made and the government must be able to decide in the interest of Canada which immigrants will be admitted and which rejected.

The administration must be able to choose from among available applicants those who

will be most suitable to life in Canada. We shall do our best to admit as immigrants individuals and families who are personally suitable and who have the required background and training to become worth-while citizens. This must be done on the basis of a system of selection which is fair and just, which will bring to Canada those settlers whom we need and who can become settled in our communities without dislocation to our way of life or hardship to the immigrants themselves.

In summary, what we are endeavouring to do is to develop an immigration program in which movements are properly planned, and we therefore avoid situations where arbitrary administrative action is required. In this way it should be possible to convince worth-while settlers that Canada is genuinely and continuously interested in receiving them and helping to find a place for them within our society. To ensure this result it is essential that the Canadian public, and prospective immigrants as well, should be assured that our policy is not a rigid but a flexible one, based on a consistent framework of principle, subject to continuing intelligent supervision, and capable of adjustment to meet the changing needs of a dynamic and growing country.

The key to our immigration policy will be the consistent application of proper selection standards designed to bring the best possible settlers to Canada. I am sure all Canadians would agree that once these standards are established they should be applied consistently to all who seek admission to this country, except where the admission of the immigrant is based on compassionate grounds or on close relationship; and, of course, in the case of refugees. Other immigrants, particularly those who will earn their living in Canada and compete in the Canadian labour market, will be examined to determine that they will be able to make their living successfully in Canada, that they will be likely to become good Canadian citizens, and that their admission will not result in disruptions in Canadian social and economic life. We shall, of course, continue to place strong emphasis on the selection of immigrants who will establish productive enterprises in Canada which will create employment for themselves and for Canadians.

A program conceived and developed along the lines I have outlined will, I am sure, bring results of lasting benefit not only to future immigrants themselves but to all of Canada.

Mr. Pickersgill: I have listened with great interest to the statement the minister has just made. I will not comment now on her forecast about those amendments to the Immigration Act which were so urgently required four or five years ago and which, after three years in office, the government still has not seen fit to bring before the house. It was very easy for hon. gentlemen opposite —and it was not so much the hon. lady who criticized the former administration but her colleagues, in particular the Minister of Justice and the Prime Minister—to be critical four and five years ago, but it is an extraordinary thing that, since they have been in office, no change of any fundamental character has been made either in the legislation or in the regulations which existed at the time the hon. lady assumed the portfolio she now holds.

As for the statement of the general principles upon which our immigration policy is based, the hon. lady might just as well have saved herself the trouble of original composition and read the excellent statement which Mr. Mackenzie King made in this house on May 1, 1947; because she has not deviated in any single particular that I can discover from any aspect of that statement.

I must say that in view of the harsh and indeed brutal criticism to which I was subjected during the three years I held the portfolio which the hon. lady now holds, it is perhaps understandable that I should take a little satisfaction in the fact that the government has, substantially, found nothing to improve on in what they found when they took office. I think this is particularly important, and especially true, in view of some of the opinions expressed by the Prime Minister and the Minister of Justice when they were sitting on this side of the house.

I am interested that the hon. lady should have asserted as emphatically as she did this fundamental principle that it is the prerogative of the government and parliament of this country and of no one else to decide who shall be admitted to our shores. I do not quarrel with that view at all. I have always upheld it, and I do not see how it would be possible to take any other view and expect to get the support of the Canadian people for it. But I may say there was a time when the previous administration was attacked for taking that view.

Mr. Fulton: Not by us. When in opposition we never quarrelled with that point of view. We quarrelled with the administration of it.

Mr. Pickersgill: The Minister of Justice is anxious to get into this debate, and later on I intend to read some of the statements made by him to show how wrong he is. I agree that the Minister of Justice was a little more subtle than the Prime Minister. I think he has a subtler mind. He put a few

safeguards around his words. But if he looks at some of the language the Prime Minister used when he was over here the hon. gentleman will see clearly what I am driving at.

Mr. Fulton: Because the hon. member has mentioned my name, may I tell him that I regret I will not be able to be here much longer. However, I believe the record will speak for itself, and I have no objection to the hon. member quoting me whether I am inside the house or outside of it. I think the hon. member will find that I did not disagree with regard to the right of Canada to determine who shall come to her shores.

Mr. Pickersgill: I am sure the minister will agree that I have never quoted him out of context. Any quoting that I do to illustrate my point will be just as fair as it would be if he were here. However, I do not want to labour this point, because there is something of much more immediate importance that I wish to say. After all, this is now a matter of agreement—

Mr. Fulton: It always was.

Mr. Pickersgill: I am glad to note this agreement from now on between the two sides of the house on this fundamental point, because everything really stems from it.

I took note concerning those changes which the hon. lady stated she had made in the regulations or the administration, and later on I will say something about them. She gave five or six examples, and I took them down as well as I could. But I think the hon. lady made a mistake about one of them. It was probably only a slip of the tongue, but I do think the matter is important. She said something about the regulations having been changed to permit Canadian residents rather than Canadian citizens of Asian origin to apply for relatives. I think the hon. lady meant to say "Canadian citizens who have origins in certain countries" because if she will look at the regulations as they were amended on May 24, 1956, she will see that since that date there has not been anything in the Canadian law or regulations about the racial origin of immigrants. Since 1956, when the regulations were amended as a result of the decision in the Brent case, the question of who might apply, the categories of persons who might apply, has been a purely geographical one. In the case, let us say, of a citizen of China who is being applied for, it does not matter whether that person is of Chinese or French or English origin; no matter what he may be, if he is a citizen of China the same law applies to him.

Mrs. Fairclough: I think the hon. gentleman misunderstood me. It is true today that the sponsor in Canada has the right to apply whether he is a Canadian citizen or a landed immigrant. I think the hon. gentleman himself, when he held this post, made some alterations which had to do with five years of residence rather than the applicant being a Canadian citizen.

Mr. Pickersgill: My whole point is that if the hon. lady was using the word "Asian" in a geographical sense, I am sure she was right; if she was using it in a racial sense, it was wrong. I do think that this was an important change which was made on May 24, 1956. All Canadians should be glad that this change was made. It was one of the few things I did when I was minister which received commendation from the opposition.

I notice that a lot of articles are still loosely written saying people are penalized because of their race. That is no longer true in any rational sense of the term. It is true that there are certain countries from which we encourage immigration and other countries from which we do not encourage it. I do not really believe that the vast majority of the Canadian people would want that kind of principle of selection changed, though they might wish some changes made within the categories; and changes are, in fact, made from time to time. But it seems to me that is a really fundamental change that was made which we should be glad was made and which I think it is very important to emphasize at all stages.

What I really want to devote most of my time to is something which has happened very recently about which I am very critical both of the Minister of Citizenship and Immigration and the Minister of Justice. I refer to the investigation which, as we learn from information that comes to us from outside the house but about which we can get extraordinarily little information inside the house, is being carried on into the Chinese immigration that has taken place since the war.

I have in my hand a very detailed press report from the Vancouver *Sun* of May 24 last which purports to give an interview with Commissioner Harvison of the R.C.M.P. I do not intend to put this on the record. I am sure all hon. members who are really interested in this matter have read it, and I think many of them have been very much shocked by the information contained in that interview. There was also, as hon. members know because it has been alluded to already in the house, an article in the Toronto *Globe and Mail* on May 25 written and dispatched from Ottawa on May 24 by Mr. Langevin Cote, their correspondent here, from

which I want to read one paragraph because it seems to me it is very important. It reads as follows:

> It has been reported that as many as 11,000 Chinese of 23,000 who have come to Canada since 1946 have entered the country illegally. R.C.M.P. commissioner C. W. Harvison, to whom this estimate was attributed, said the figure was not his but that he would not disagree with it.

The Minister of Justice said on Monday, I think it was, that this figure was not the official figure of the R.C.M.P. The press report does not suggest that it was the official figure of the R.C.M.P. But I feel that the government has made a very great mistake in not having the Prime Minister or some other minister come into the house and make a statement about this matter as authoritative as it would be possible to give in the circumstances. I think it is very unfortunate that anything was said about this investigation until the police were in a position to lay charges against those people, if there are any, with respect to whom there were grounds to lay such charges. I have no doubt that such an extensive investigation as this appears to be is going to result eventually in some charges being laid. If not it is going to be a most shocking waste of public funds.

But the situation we are faced with at the present time is that the 23,000 Chinese who have come into this country as immigrants, pratically, although not quite, all of whom have come here allegedly as the sons or daughters or wives of Canadian citizens or more recently of Canadian residents, though I would imagine the number in the latter category would be relatively small, find themselves in the position that a cloud of suspicion hangs over all of them and over all their relatives, which virtually means over the whole Chinese Canadian community. It does seem to me that it should have been possible to remove that cloud before now.

I have had a good deal of experience with these matters, and I do not want to say anything here that will be in any way irresponsible. I do know, as a fact, that certain irregularities did occur, because of information subsequently turned up in one or two cases that came to my attention. I would not be able to mention those cases now without access to the departmental files, because I probably have nothing in my own files. I do recall a case where a Chinese was admitted to this country who alleged that he was 18 years old. It subsequently turned out that he was really 25 years old, but he was still the son of the person he represented himself to be. I also know there have been cases where children of Chinese Canadian citizens have alleged that they were unmarried so as to come within the regulations when in fact they were married. This is a technical offence, one that I suppose in ordinary circumstances no one would wish to condone.

But the circumstances were not ordinary. We know that for many years there was a statute of this country called the Chinese immigration act, which is one of the few things in the record of the Liberal party of which I, as a Liberal, am not very proud. It had the effect of bringing about the separation of families of immigrants to Canada of Chinese origin. In the year 1947 that act was repealed and the present regime was established, and in order to undo the very unfortunate effects of that act various steps have been taken.

I am not going into the full history of that now but the purpose was to provide, as quickly as it might be done, for the reunion of families, to admit the wives of persons who became Canadian citizens and therefore indicated they wished to stay in this country, and to admit their unmarried children. The only reason that admission was confined to unmarried children was, of course, that a chain of immigration would have been set up that would have been very hard to control because of the lack of facilities of any kind that could be made available in China to provide accurate information.

This problem was subsequently very greatly complicated by the fact that, though there was no war between China and Canada, from 1950 to 1953 Chinese troops were fighting Canadian soldiers in Korea. During all that time the government of this country admitted Chinese immigrants; it is true there was only a limited number of persons from China admitted because of the relationship. In order to have any kind of control and any reasonable certainty about the identity of these persons there had to be a relatively strict regime, and that is why there was. When one thinks that it was perhaps almost unique in modern history that immigrants should be admitted to one country from another country when the troops of that country were fighting our troops, one can say that it was an example of liberality, toleration and good sense of which I think Canadians have every right to be proud and in which I personally am very proud to have had some part, although the major credit goes to Mr. Mackenzie King, Mr. St. Laurent and Mr. Walter Harris, who had the most to do with the problem and the maintenance of that policy during the critical period.

As I say, in order to make sure, particularly once the communist regime was established in China, that our limited immigration was not permitted to become an avenue for the

back door infiltration of communist agents—I said this as early as 1955 in the committee on estimates, as I am sure the Minister of Justice will recall—it was felt by the government responsible at that time and has been felt by the present government since that these controls had to be maintained.

Now, I must say I could never find it in my heart to blame very much those applicants who represented themselves as being single when they were in fact married, or who represented their age as being something other than it was. You may say, why do we not change the regulations and let all the married applicants in? I have tried to explain that. You would have an insuperable problem in doing that because the married ones, in turn, would have children, and the opportunities for illegal entry would be vastly increased, as I am sure the hon. lady would agree.

I am going to recommend to the government, and I am doing this without seeking to be unduly critical, that many of the problems they now have as a result of this investigation could very easily be removed if the minister, the Minister of Justice or the Prime Minister would say, on behalf of the government, that the government has no intention whatever of opening any case or dealing with any case where those people who entered were the sons, daughters, wives or parents of Canadian citizens of Chinese origin, even though they may have misrepresented some of the other facts for which the department asked.

If a categorical statement of that sort could be made that this was not, after all, considered so serious as to necessitate the reopening of these cases, I believe most of the uneasiness and concern in the Chinese Canadian community would be ended at once. I believe that until that is done there is not the slightest real hope, if one is going to be realistic about it, of getting any information from anyone or any real co-operation from anyone in the Chinese Canadian community in assisting in the investigation.

I do believe there are a good many people in the Chinese Canadian community who have been victimized. I said as early as 1956, when I was questioned on this—I brought the reference here in case anyone wants me to repeat it, but I do not believe it is necessary—that although I had no proof in any particular case I was quite sure there had been a number of fraudulent entries. I was afraid, because there are no reliable vital statistics in China and because of other difficulties in respect of this immigration, that there were a few people slipping through all the time. I am sure there have been cases where people have been blackmailed. I feel sure that there are people in the Chinese Canadian community who would like to assist in having this practice stopped, but I do not believe it is reasonable to expect that they will do anything about it if they believe the result is going to be to bring reprisals or bring any kind of action against the relatives of Chinese Canadian citizens who have come here in a technically illegal sense.

I am seeking, therefore, to criticize as little as possible, because I know from my experience that this matter is very difficult. I have not forgotten the way I was assailed in 1955, when I had had very little experience in this department, because I refused, as I believe the present minister would refuse, to show certain people the departmental files on these cases so they could get, as I suspected some of them wanted, additional information to facilitate illegal entries. I was accused by the Prime Minister and by the Minister of Justice of being arbitrary and tyrannical because I took that position. I must say that I think I would have no choice, with any sense of responsibility, but to take it again. I have accused the minister of many things, and I am going to accuse her of many more things before I am finished. However, I am sure the minister does not want, any more than I do, to encourage the breaking of the law or to treat with inhumanity those people who may have been guilty of some technical breach but no other kind of breach.

I do say to the minister that I believe this matter should be cleared up, and cleared up at once. By that I do not mean for a moment that the investigation into genuine criminal activities should not be completed. Of course it should. If the minister finds that certain people were taking advantage of our laws and of our liberality—because when you compare the way we treat immigration from China with the way any other country in the world treats it, it is very liberal—then they should be dealt with accordingly. If these people are taking advantage of that position to bring undesirable people to North America, of course every effort should be made to stop that practice. If an effort is being made to get people into this country who ought not to be here, who are a danger to the security of Canada or the security of the free world, of course that should be stopped. If people are being blackmailed with that or any other end in view, that should be stopped. If it is true, as I have read in some of these press stories in papers like the Toronto *Telegram*—I do not know that I should say "papers like the Toronto *Telegram*"; I should say in the Toronto *Telegram* because perhaps there is no other paper like

it—that bribes have to be offered in order to get officials to do their duty, then that should be investigated.

I would not believe this story unless I had proof of it. I have had a lot of experience and I do not believe there is any more honest, trustworthy staff in any department in any government anywhere in the world than there is in the immigration branch. This is not to say they are not human like all the rest of us. There may occasionally be some one who is susceptible to various kinds of temptation. I say these things should be found out, and there should be the greatest vigour in any such investigation. But I do say if this investigation is to amount to anything, if we are to get anywhere with it, it is of the utmost importance that we should make clear at once that so far as those people who are relatives of Chinese Canadian citizens are concerned, who may have committed some technical irregularity in connection with their entry, they are not going to face deportation or any other charges.

A few such cases came to my notice when I was minister. One of the ways in which they came to my notice was this. Someone who had been admitted three or four years before as a single person would then apply for the admission of his wife and children. Well, when that happened there was prima facie evidence that he had not given accurate information before. I have regarded that as one of the facts of life, if I may put it that way. There were cases where I admitted the wife and children afterwards.. As I say, it seems to me that this is the nub of the whole difficulty.

The other thing that I think is rather unfortunate is this rather extravagant publicity that seems to have been occasioned. I am not saying I directly blame the commissioner of the mounted police, but I think it would have been better if he had not given this interview at all. Once you get a headline like this, "Racketeers average $4,000 per head", and then you get statements about 11,000 so-called illegal entries, they call it a $44 million racket. Anyone can do elementary arithmetic and can see where these figures come from. No doubt there were one or two cases in which somebody spent $4,000, and then someone else said there were 11,000 cases.

You multiply the two and you get $44 million. I would greatly doubt whether all the Chinese Canadian applicants together, if they took their property, would be able to find $44 million to engage in this racket. Sometimes these stories are so manifestly absurd on their face that one wonders why people write them at all without first doing a little bit of mental arithmetic. As I said, having regard to the exaggeration in this whole matter and the indictment of a whole section of the Canadian Chinese community, which has a record for obeying the law that many of the rest of us might envy, it seems to me that it is really of the utmost importance that this matter should be cleared up without delay.

I have a number of other things about which I want to talk but, Mr. Chairman, since one may speak as often as one can catch your eye I think I ought to yield the floor at this point to somebody else.

Mr. Winch: There are two or three matters under this particular vote upon which I would like to speak quite briefly. I must admit that I find some of the policies, the regulations and the administration of the Department of Citizenship and Immigration most confusing, and I hope the minister, during the course of the discussion of her estimates, will be able to clear away some of that confusion.

One point that I find most disturbing and am unable to understand—and I think a great many other people are in the same position—is the basis upon which the department puts out publicity in an endeavour to bring immigrants into our country. Just over a month ago, as a matter of fact during the Easter recess, when I was home in Vancouver I had the opportunity of seeing copies of newspapers from the United Kingdom and other countries containing advertisements put out by the minister's department outlining a great many things about our country and its potentialities, and then enumerating opportunities that were open in Canada for people from those countries if they desired to come here. When we have in Canada over half a million unemployed, and when we have a particularly serious situation in the construction industry, for the life of me I cannot understand why the Department of Citizenshop and Immigration should be advertising overseas to the effect that there are openings in the same areas in which we have thousands upon thousands of unemployed. For the life of me I cannot understand that policy.

I noticed that, according to the newspapers here in Ottawa only this week, it was stated in the trades and labour council that over 50 per cent of the carpenters and construction workers of Ottawa were unemployed and had been unemployed for months. I know that in my own city of Vancouver in the construction industry we are facing a serious situation; that approximately half the carpenters, half the painters and half the electricians are unemployed and that some of them have been unemployed for almost a year, with a great many of them having run out of unemployment insurance benefits and having been cut

off seasonal benefits. With that situation in existence, why the minister should authorize or permit advertising outside of the country inviting carpenters, painters, electricians and concrete workers to come to Canada and saying there are openings here for them is something I do not understand. As I say, it passeth all comprehension.

When we have the statement of the Prime Minister, as reported in the press when he was in the United Kingdom recently, that we will welcome tens of thousands of new Canadians, and when we read the statement made by the minister south of the border some time ago inviting Americans to come here and enumerating certain trades in which there are thousands of unemployed in this country I say that we find the situation very confusing.

Of course we should like to have immigration, but surely it should be on a planned basis, whereby we know that the immigrants can be assimilated. Although we have this recognition of the fact that we can and will grow, and that we can eventually have a bigger population, I have no hesitation in saying that our first responsibility is to the people who are in Canada now. It is unfair to the Canadian professions and to the workers who are out of work, and it is unfair to those whom you are inviting to come here when you are doing it under false pretences.

The minister must know of the type of advertising that has been put out in the past few months and of the enumeration of trades in which it is said there are openings, and that it is just barefaced misrepresentation. I hope we can have an explanation as to why that particular policy has been adopted or why that particular type of advertising has been put out under the particular circumstances which apply in some of these trades and professions here in Canada today, which have existed for some time in the past and which, from all indications, seem likely to exist for some time in the future.

That is all I want to say on that particular phase at the moment. However, I should like to add the hope that greater care will be exercised in the investigation of those who make application to come to this country—if we are in such a position that they can be accepted—in order to see that if objection is raised to their coming it is not just on the basis of the declaration of somebody else. I think it is most unfair—and we have had this matter come to our attention on more than one occasion—that a person can be turned down, with no reason being given as to why he has been turned down.

I know I had a case—it was not under the present minister, but it illustrates my point—in which a large family consisting of some small children and some children who were grown up, married and had their own children; the entire family—were allowed to come in and then at the last minute one son was told that he could not come. Just one out of a large group was refused admission. I think the whole family, counting in-laws and everything else, would have numbered about 26. Yet one son was told no, and he never could find out why.

This happened in my home constituency, so I took up the problem. It took me almost two years to have an investigation made as to why that one son was refused admission. He never knew and to this day he does not know why he was refused. However, the minister eventually had an investigation made, and it was found that the man had been rejected because somebody had gone to one of the field officers and said the man was a criminal. No investigation was made; the statement was just accepted. Yet we finally found out that the man had never had any criminal record whatsoever. The trouble was that the person who made the objection was sore because this man had married the girl he wanted to marry. Hence he just put in a complaint, and that one person was stopped. Eventually that individual was allowed to come to Canada. However, that is the sort of thing that has happened more than once, namely the acceptance of a statement from somebody without investigation. If that man had been told why he was rejected the matter could have been cleared up in five minutes. But no; the policy is that you must never tell when they ask. I think more care should be exercised in matters of that nature.

May I also say this, because it is in a similar vein, although perhaps the hon. member for Bonavista-Twillingate will not agree. I want to say that I completely understand why no person should be allowed to just go and ask for information about one individual, as to why he had been turned down, or ask for the basis on which he was allowed into this country. But when we have an individual who asks for that information himself, or who says that he would not mind having the reason a certain position was taken disclosed, then I think in the name of far-famed British justice that individual should be entitled to that information or to have it made public.

Mr. Chairman, I have never been able to understand this absolute cloak of secrecy, which can only be for one purpose—the minister has dealt with it time after time—namely for the protection of the name of the individual. But if the person concerned wants to know or wants the information made known, then why should not that be allowed?

And that is most important when tied in with what I have said previously, because I say without any hesitation that time after time the department accept what they are told and do not investigate, and they can be wrong very often. I think a person should have the opportunity, if he so desires, of being able to disprove any allegations made against him by asking for information which has been laid about him.

Mr. Pickersgill: Would the hon. gentleman permit a question?

Mr. Winch: Certainly.

Mr. Pickersgill: Does the hon. gentleman realize that the argument he is now making is precisely the argument made by the Minister of Justice when he was sitting over here, yet there has been no change in three years?

Mr. Winch: I was not going to raise that point. I was going to approach it on the basis of what I think they should be doing now irrespective of what they did or what they said before. I try to carry everything on a very high plane. Mr. Chairman, I think that is just common, ordinary day to day justice, and I do hope the minister will consider altering her attitude on this matter.

There is one other item I would like to bring up at this point, and that is that I hope the minister will give us an explanation of the basis upon which she decides who can and who cannot come into this country as a landed immigrant. I have particular reference here to people who come from countries where their skin may be of a different colour to our own. I know, and it has already been stated by the hon. member for Bonavista-Twillingate, that the immigration policy of Canada is supposed not to discriminate because of race or colour. That sounds pretty good, but I want to say that as far as the policies followed in Canada are concerned, whether you want to admit it or not Canada does follow an immigration policy of discrimination because of race or colour.

Mr. Chairman, this is proved by the fact that we have for some countries what is known as a quota system. A quota system is discriminatory, whether you want to call it that or not. I would like to know on what basis quotas are set and how you decide the numbers to be admitted as between one country and another. But in particular I would like to have an explanation of the quota system as it applies to the countries of the commonwealth.

I thought that in this commonwealth we were proud of and boasted about the fact that we were all partners in a common commonwealth, that there was no differentiation between the countries of the commonwealth because of race or colour. Yet the policy of Canada is one of discrimination as between members of the commonwealth because in some countries they are black and in others they are yellow; therefore they are placed on a quota system.

To me there is something fundamentally wrong with the way Canada develops an immigration policy when countries outside of the commonwealth are not put on a quota system and we allow their people to come in even though they may have been our enemies in two world wars. Nazis who fought against us are now in Canada, and they still maintain they are nazis. I know of one man I met in Toronto who boasted that he was a fighter for freedom in the last war. When I asked him what side he fought on he told me that he fought for Hitler. Yet we allow those people in because they are white; there is no quota.

Why is it that people from countries outside of the commonwealth, countries which were our enemies, come in free of quota, but inside the British commonwealth a quota system is established with regard to countries whose citizens are either black or yellow? I think that is wrong. It is so wrong in my estimation that I think it makes mockery of a great many of the high sounding statements and principles about which we hear so often from the Conservatives. I say that it breaks down commonwealth countries as far as our immigration policy is concerned into a series of classes, and I do not think we should break down the commonwealth into a series of classes because of differences in race or colour. This principle makes a mockery of the commonwealth, and I do not like to see that being done.

I can say very definitely that last year when I had the opportunity of attending the commonwealth parliamentary conference in Australia, where I met representatives from the commonwealth parliaments, I found they had only one criticism of Canada, and that was why we discriminated against other parts of the commonwealth through the medium of the quota system. I sincerely hope that during the course of the discussion of these estimates these points I have raised, namely the form of advertising in telling people to come here when there are no opportunities available, not making full investigations as to whether statements made against people are correct, and this matter of quotas will be fully explained by the minister.

Mr. Jung: Mr. Chairman, it is my intention to make two suggestions to the minister

regarding possible changes in the immigration regulations so far as they affect Chinese. However, in making these suggestions I, as the first representative in this house of Chinese descent, am saddened by the fact that my task has been made difficult by some members of the Chinese community who, through their activities have brought all Chinese communities under a cloud of suspicion. The government cannot be blamed for these investigations into alleged irregularities in Chinese immigration, but rather the blame must lie on those who have sought to prey on the very understandable desire of those who wish to join members of their families in Canada.

The hon. member for Bonavista-Twillingate says that he agrees immigration is a privilege, and that is a sound principle. However, many people believe that immigration is not a right but a privilege extended to a national of a foreign country, and that it cannot be demanded as of right by that foreign national except in certain circumstances as defined by the government of the country into which the immigrant seeks admission. Whether these defined circumstances that have been laid down by the government of Canada are too narrow is another matter. If they are they can always be changed, but until that event the law must be administered as it is now laid down.

The members of the Chinese community recognize that within their midst there may be some who have contravened the law. The members of the Chinese community as a whole would be the first and indeed are the first to agree that such offenders should be dealt with by the law if they have in fact been found guilty. But because of the figures that have been published in the press regarding the large numbers of alleged illegal entries, many Chinese feel that all the Chinese community are under a cloud of suspicion.

I know the minister has stated that her department will deal with the problem in a humanitarian manner, and the Prime Minister has also stated in this chamber that the great majority of Chinese in Canada are held in respect; but in view of the conflicting figures repeated in the press concerning the number of alleged illegal entries I agree with the hon. member for Bonavista-Twillingate that the interview given by the commissioner of the Royal Canadian Mounted Police was perhaps ill-advised. I would therefore suggest to the Minister of Citizenship and Immigration and also to the Minister of Justice that no further press interviews be granted by the R.C.M.P. until the investigations have been completed. Certainly no one would wish to see a witch hunt in that sector of the community which has always been regarded as law-abiding, and I am sure the innate sense of fair play which all Canadians have will not allow the reputation of the Chinese community to suffer.

I have made representations regarding these investigations to the minister on behalf of the Chinese benevolent association in Vancouver, but I would be grateful if the minister could advise later on whether she has received similar representations from the association and what reply she has made to them.

I may be impertinent in doing so, but to the Chinese themselves I extend the facilities of my office, such as they are, to those who wish to regularize their entry. I understand and appreciate that for many there are barriers such as language and fear which would make them either unable or unwilling to communicate with the officials of the department. I am prepared to make representations to the minister on their behalf, and I can only hope that my personal reputation is such that it will inspire confidence in those who wish to come forward.

Hon. members can realize that I have had a very heavy responsibility in so far as Chinese immigration is concerned, being the only representative of Chinese extraction in this house. It would be very easy for me to speak out loudly on the discriminatory aspects of Chinese immigration regulations but I have not done so, Mr. Chairman, because I wanted to establish myself as a parliamentarian rather than as a person whose usefulness was restricted to speaking on minority rights alone. I wanted to study the problem so that when I did speak I would be listened to as a person who had demonstrated that he could look at a problem along broad lines.

While hon. members will recall that I spoke on this subject of Chinese immigration in my maiden speech in 1957, hon. gentlemen will also recall that I was sued for libel by Weldon Chan because of a letter I had written in reply to a woman in West Vancouver. For the record I wish to relate the circumstances of that case, because the case against me was only dismissed comparatively recently and until it was disposed of by the courts I could not make any statement about it. Briefly the facts were as follows. On December 3, 1959 I received a four-page letter from a woman by the name of Miss Alex Toppin of West Vancouver. I do not know this woman and to the best of my knowledge I have never met her. Her letter reads as follows:

2246 Bellevue Avenue West,
Vancouver, B.C.,
2 December, 1959.

Dear Mr. Jung:

I have just come home from St. Paul's hospital where I have been visiting Mrs. Chan, wife of

the man whom the immigration authorities are trying to deport from this country.

This whole affair is really disgraceful and I am writing to you to try and do something to help them. As a British subject I believe in justice for peoples of all nationalities. If Chan is caught and deported there will be adverse comment on Canada throughout the entire civilized world. This is the international refugee year. This man is an admirable citizen for any country to have. He has done nothing radically wrong, and to send a British subject back to overcrowded Hong Kong is really bordering on the fringe of lunacy and an absolute travesty of British traditions of justice and fair play. Canada is a British flag country and I feel that every thinking person should protest in the strongest possible terms about what is happening to these people.

Mrs. Chan is a slight, anxious young woman, a most pathetic figure. I have today seen Harry Fan the lawyer who is representing them and he tells me Mrs. Chan is going to Ottawa on Sunday. I hope that the minister will look into this case again.

There are basic human rights at stake here and I think that the minister should remember in the sight of God all men are equal and that the colour of our skins or our racial origins are a mere accident of birth over which we have no personal control. I am not personally Chinese but Irish, and we do not like to see our fellow human beings subjected to indignities for no proper reason.

I am a member of the Vancouver civic unity association. I understand that the association have already sent you a letter about the Chans, but have had no reply and I know that the human rights people are also interested in the case.

If all else fails I am going to write to Her Majesty the Queen. My father has the honour of being on the royal household staff in his capacity as the Norroy and Ulster king of arms and I know that Her Majesty would intervene if the position were made clear to her. It is quite usual at home to bring these kind of things to her notice.

Awaiting your reply,

Sincerely,

Alex Toppin (Miss).

My reply to Miss Toppin was contained in the following letter:

Ottawa, Ont.
December 4, 1959.

Miss A. Toppin
2246 Bellevue Ave.,
West Vancouver, B.C.

Re: Weldon Chan.

Dear Miss Toppin,

I acknowledge your letter of December 2 with reference to Mrs. Chan.

I have received representations from other sources who are interested in this case, and I have made inquiries from the Minister of Citizenship and Immigration. I am not at all happy with the results of my investigation. In the first place, I do not think that a husband should desert his wife and family. Whatever merit he had to his case would have vanished in my mind because his action indicates that he is not capable of accepting his basic marital obligations. If he is capable of treating his family in such a way, what can we expect from him as a Canadian citizen? Does he treat all his duties and obligations so lightly?

I am of Chinese ancestry, as you know, but in matters of this kind, I think as a Canadian. We do not want a recurrence of the George Hanna case. I have made representations to the minister of previous cases which in my opinion had merit. However, until Mr. Chan reappears I cannot truthfully say that I have had the chance to discuss his case thoroughly. I deeply appreciate your interest, but in view of my own investigations, I must be satisfied that Chan is prepared to accept responsibility. In the meantime, I shall be pleased to convey your views to the minister.

Yours sincerely,

Douglas Jung, M.P.,
Vancouver Centre.

On the basis of what I said in that letter Chan instituted the libel action against me. It should be remembered that in the early part of November, 1959 Chan disappeared prior to the day on which he was to be deported. Subsequent to his disappearance press reports stated that his wife had no idea where he was; that she had been dismissed from her job; that she was without financial support, and that she was relying on friends. In view of these press reports and the information which I had received from the department I felt that my letter expressed my opinions in a firm but courteous way. I could easily have avoided all this unpleasantness by simply not answering Miss Toppin's letter, but as a member of parliament I felt I had a duty to reply to her inquiry; and when I learned through the press that legal action was being taken against me I felt so strongly about this case that even before departing for Vancouver I telephoned my solicitors there instructing them to accept service of the writ so this case could be heard at the earliest possible time. I felt that an important principle was involved, namely the right of a member of parliament to express his views. I hope I have succeeded in dispelling any suggestion that I was deliberately going out of my way to hurt Chan. I did not deliberately write an unsolicited letter to someone I did not even know regarding Chan. Chan had been ordered deported and had gone into hiding long before I received the letter, and I had nothing whatsoever to do with the order for his deportation.

Having established that I am not afraid to speak out against one of my own race when in my opinion such words are necessary, I think I am in a better position to make an appeal on behalf of those naturalized Chinese who are still separated from their families. Hon. members will recall that in 1957, when I spoke on Chinese immigration, my theme was the reunification of the family. That theme remains unchanged. I urge that Chinese dependants regardless of age be allowed to join their relatives in Canada. Bearing in mind Chinese customs and traditions in the family, the class of dependants should be sufficiently broad to cover not only nephews and nieces but also grandchildren where the

parents of the grandchildren are dead and the only relatives are in Canada.

I believe we have a moral obligation to those early Chinese immigrants who sacrificed so much and received so little to become reunited with their families. Let us remember that those early immigrants had to pay a head tax ranging from $50 to $500 in order to come to Canada, and then they were not allowed to bring their wives or families until after 1948, when the citizenship act was amended so that these old-timers could be naturalized. For over half a century many of these early Chinese settlers were denied a normal family life, and it is a source of wonder to me that in spite of these handicaps they were able to build up a reputation as law-abiding and hard-working people.

The Chinese population in Canada amounts to approximately 50,000 out of a total of 17,500,000. When this country can bring in some 37,000 Hungarian refugees in two years, as compared with the 50,000 Chinese in Canada, it can easily be seen that if all the families were united with their dependants the total of Chinese in Canada would still be small. I realize that the working out of some of the details would present problems, but I suggest that the principle of reunited families is a sound and humane principle.

Concurrent with the reunification of Chinese families there should be a quota system set up for those who have special skills and who do not have relatives in Canada. I suggest a quota system because in my view once families had been reunited the number of Chinese wanting to come to Canada would taper off. It is highly unlikely that an unskilled Chinese person without a family here would be in a position to come to this country, because without relatives to sponsor and care for him he would have neither the means nor the desire to come to a strange land. However, skilled persons such as doctors, nurses and technicians are in a different position. Even without relatives or sponsors these people would be able to look after themselves and would constitute a definite asset to the community.

Finally, I again urge all Canadians not to allow the current investigation into alleged Chinese immigration irregularities to distort or prejudice the status of the Chinese communities in Canada. Much of the irregularity in Chinese immigration has sprung from the desire to rejoin loved ones. I know this government appreciates this fact, and for that reason the Minister of Citizenship and Immigration has stated that the innocent will not suffer. That being so, I can only hope that those who wish to do so will take the opportunity of regularizing their entry as soon as possible.

Mr. Regier: I wonder if the hon. member will permit a question. I note that the hon. member has volunteered his offices to assist those Chinese who would like to regularize their entry into Canada. Did the hon. member mean his office as a member of parliament or his legal office as a barrister and solicitor?

Mr. Jung: I say categorically as a member of parliament.

Mrs. Fairclough: Possibly in the short time which remains before the luncheon recess I might make a few remarks with reference to some of the things which have been said so far.

I should like to assure the hon. member for Bonavista-Twillingate that the irregularities which are the cause of the present investigation are not those of relationship or age. They are concerned purely with identity, and I can assure all members of this house that there is no intention to prosecute those people who are, let us say, the victims of these transactions. The intention is rather to curb the activities of the racketeers. I should like to go one step further and say that this investigation was commenced largely because of complaints which came to me from the Chinese themselves that they were being victimized. I do not think that in my capacity as a member of the government I could overlook a plea such as was made to me not just by one person but by several people; and, I might say, in several cases their case was substantiated by documents. Evidence that some skulduggery existed was quite sufficient for me to start an investigation.

No official figure of the number involved has been given by my department, and I do not believe one has been given in the Department of Justice. Speculation has, of course, been rife, and some of the figures which have been quoted in the press arose, I think, as much from the speculation of persons outside Canada as of those living in this country. We have no idea how many people may be involved in this racket, none at all. We have no idea how many people may have come into Canada in this way. Consequently I can neither confirm nor deny anything which has been said, and I think that has been the position taken by the Department of Justice also. However, I know the hon. member for Bonavista-Twillingate appreciates, as a result of his own experience, that if you say you cannot deny a thing it is often taken as corroboration of a conjecture.

Mr. Pickersgill: The hon. lady is not suggesting that the *Globe and Mail* was wrong in publishing the confirmation by the commissioner of the figure of 11,000? That is where the trouble came from. I have already read that extract from the *Globe and Mail* and unfortunately I have now sent it to *Hansard*. The commissioner said he would not say it was wrong. That is where the trouble arose.

Mrs. Fairclough: That is what I have been saying. Unfortunately we are in no position to deny the figure, because we do not know; neither are we in a position to confirm it.

The hon. member for Vancouver Centre asked me for some information, and I procured a copy of the letter which I wrote in reply to Mr. Lee. I think possibly if I read it it may clarify some of the points which have been raised. It reads as follows:

Mr. W. A. Lee,
Secretary,

The Chinese Benevolent Association,
(National Headquarters),
108 Pender Street East,
Vancouver 4, B.C.

Dear Mr. Lee,

I thank you for your letter of June 3, enclosing copies of resolutions passed by delegates from all Chinese societies and organizations assembled at a mass meeting held in Vancouver on June 1 of this year. I assume that you have forwarded copies of these same resolutions to my colleague, the Minister of Justice, and that he will be replying to you with respect to the resolution which has been directed to him.

So far as the resolution directed to me is concerned, I should like to say that I agree wholeheartedly with the statement that the Chinese people of Canada have every reason to be proud of the contribution that they have made and are continuing to make to the enrichment of our community and national life through their hard work, their self-reliance and their generous participation in worth-while community enterprises. I am confident that, if you will examine fairly and objectively the record of what I have said in parliament and elsewhere since I became minister of this department, you will be able to confirm for yourself the statement that I have at no time uttered a single word which could be taken as a reflection on the character or the integrity of our Chinese Canadians, or of persons of Chinese racial origin who have migrated to Canada.

Your resolution refers to the difficulties presented by the immigration regulations, as they apply to Chinese citizens. Without minimizing these in any way, I would merely wish to point out that the record shows a larger number of persons of Chinese origin were permitted entry to Canada as immigrants in the two-year period 1958-1959 than in any comparable period in the last forty years.

In the final paragraph of your resolution, you ask me to clarify the position of my department with respect to the current problem, which has received extensive publicity in the press and which affects the position of substantial numbers of Chinese residents of Canada, who are now known to have entered this country under illegal arrangements.

I should like to repeat to you what I have already said on a number of occasions, namely that the government has no intention whatever to persecute or treat unfairly any of the individuals who find themselves in this position. I feel sure that many of the Chinese themselves are most anxious to regularize their status in Canada and to relieve themselves once and for all from the feeling of insecurity which they must feel, knowing, as they do, that they have entered Canada through illegal means and are constantly subject to the danger of exposure.

We are just as anxious as the Chinese themselves, who are caught in this position, to regularize their status under the laws of Canada. You can rest assured that any of the individuals concerned who decide to come forward and give to the officers of my department a true account of their identity, and of the circumstances under which they entered Canada, will be given the utmost consideration and every possible help in regularizing their status in this country.

I should make a distinction here between those who have been active in the organization and operation of the illegal arrangements, and those who may themselves have entered Canada illegally but have not been active in promoting the illegal entry of others. The former group will, of course, have to accept the full responsibility for what they have done in working actively to contravene our Canadian laws. The latter group, if they will come forward, will be given every assistance in regularizing their status in Canada, and can be assured of fair and considerate treatment at the hands of the officers of my department.

Yours sincerely,

Ellen L. Fairclough,
Minister.

I think that will answer some of the questions that have been asked, and it is pretty much an expansion of what I said in the house in reply to questions that were put to me. I might say that I think it is very kind of the hon. member for Vancouver Centre to offer to assist these people. I am sure there will be those who would go to him because of his racial origin who otherwise might feel diffident about going directly to an immigration officer. I can assure him that my department will co-operate with him in this matter. I am sure he will be able to smooth the road for those people who feel they would rather speak to him than to the department so that their cases may be dealt with expeditiously.

I might add that even prior to the investigation some persons had come forward and asked to have their status regularized. We have not had a great number but there have been some, and they have been given every consideration. Where a person is in this country under an assumed identity he automatically bars his own true relatives from entering under the facilities that are open to them because of their relationship. For this reason I think some of these people are anxious to regularize their position. Particularly if they have left children in other countries they would like to be able to apply for them now and bring them forward as their

own true children, but of course they cannot do that if they are here under an identity other than their own.

For that reason, among others, may I say that any of those who care to come forward can be assured that we will do everything in our power to have their status in Canada regularized and their true identity established. I am sure they will have much easier minds and, incidentally, in cases where they are still under some financial obligation to the racketeer they will successfully get him off their backs. I think there are many advantages to an application for clarification of their status.

Mr. Pickersgill: Mr. Chairman, there are a couple of observations I should like to make about what the hon. lady has just said. In the first place, lest there be any misinterpretation, I want to say again what I said before, that I think the department was thoroughly justified in embarking upon an investigation. I have no doubt that an investigation was necessary. As a matter of fact I have *Hansard* here for August 8, 1956. A question had been raised about this whole matter by the then member for Nanaimo, Mr. Cameron. I do not want to put a lot of unnecessary words on *Hansard* so I will only read what is absolutely pertinent. As found on page 7208 I said:

> One might ask why we bother to take these pains.

To try to establish people's identity and so on.

> The hon. member for Nanaimo thinks security screening is totally unnecessary but I do not. The fact is there are no vital statistics in China that we can rely on. We do know there is a great deal of fraud practised in some of these cases and the hon. member for Vancouver East—

Still the member.

> —himself said yesterday that, in some of these cases, these people were simply using Canada as an avenue to the United States and although I cannot cite a single case I am afraid that has sometimes been true.
>
> Mr. Herridge: Others do that, too.

I suppose that is sometimes true. I went on to say:

> Others do it too; that is quite right. We try to stop it in every case but it is extremely difficult to stop it in these cases because we do not have access to the kind of records that are available to us in practically every other country from which we receive immigrants.

I want to say again—

The Chairman: Order. It being one o'clock—

Mr. Pickersgill: I can finish in two sentences, Mr. Chairman. I want to say again that I think the department was quite right in conducting this investigation. I think if the hon. lady would just go one step further than she has gone in this statement she would clear up most of her own difficulties and the difficulties of the Chinese community. If she would say categorically that in the case of Chinese relatives within the relationships that are permitted who have come to Canada there need be no fear whatever of deportation or other penalties, I think she would get along a lot further.

Mrs. Fairclough: I think I could go as far as that, unless there is some criminal activity, and if it is a bona fide case of relationship.

Mr. Pickersgill: What I mean is a statement that just because he was married or gave the wrong age he does not need to worry. That is what they want to be told by the minister, not by me.

Mrs. Fairclough: I have already said that, Mr. Chairman.

Mr. Pickersgill: No. I listened carefully as the hon. lady read the letter—

Mrs. Fairclough: I do not mean right now, but I have said that and we have regularized a great many of these cases in the past. We have no intention whatever of sending people out of the country simply because they happen to be a different age from what they stated or because of their marital status. If the hon. member will peruse the order in council and the figures he will find that a great many of these people have come in.

Mr. Pickersgill: Perhaps if I could say this the hon. lady might consider, when we resume, putting a two-sentence statement along the lines she has just given on *Hansard* so it will be right there. I think it would assist the committee and everybody else.

Mr. Herridge: I think that is a good suggestion; let us have it exact and definitive.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mrs. Fairclough: Mr. Chairman, I have taken the advice of the hon. member for Bonavista-Twillingate and have prepared a short statement which I think will probably make the position completely clear. Accordingly, I should like to state that it is not the intention in connection with the current investigation to prosecute or deport from the country any Chinese presently in Canada who have not themselves engaged in assisting other Chinese, apart from their own relatives, to enter Canada illegally.

In answer to the hon. member for Bonavista-Twillingate, I may say that this applies to Chinese who have themselves entered Canada illegally on the basis of having given incorrect information as to their true identity, age, marital status, relatives and similar facts relating to their family status.

Having said that I should, of course, add that these people can only be helped to establish the true facts on which to regularize their status in Canada if they come forward on their own initiative and give the department correct information about themselves. If this is not done, then the individuals concerned will always be left in a state of uncertainty and insecurity, because nothing I can say as minister can give them the complete assurance they require and need unless and until they come forward and actually establish themselves, on the basis of the correct facts, as properly landed immigrants in Canada.

Mr. Pickersgill: I should like to say, Mr. Chairman, that I think the hon. lady has been very wise in making this statement.

Mr. Badanai: I have a few observations to make, and I hope to be able to advance some suggestions which may receive the consideration of the minister.

Scarcely a month has gone by since citizenship week was observed in most communities across Canada. City councils, chambers of commerce, school authorities and other voluntary organizations such as the I.O.D.E. sponsor such observances. It is one of those occasions when Canadians are or should be reminded of their privileges, their duties and their rights. The principal privilege is the right to vote at an election of representatives to public bodies, such as municipal councils, provincial and federal parliaments. In essence it is the Canadian concept of democracy.

At one of the lakehead secondary schools during the ceremonies marking citizenship week, a letter from the Minister of Citizenship and Immigration was read to the assembly from which I wish to quote a couple of paragraphs. The minister said in her letter as follows:

> Our country has been built up by men and women of many races and creeds. As we study the history of Canada we learn of the contributions which these people have made, how they tilled the land, established industries and became good citizens and neighbours.

The minister went on to say that many different nationalities were represented in the schools and that she was especially pleased to learn of the sincere comradeship that existed among students. Then she concluded with these words:

> That is good citizenship and a fine introduction to the adult world in which these students will soon be taking their places.

No one here will find disagreement with those sentiments so well expressed by the minister. However, in our citizenship act there are some features which should receive the attention of the government, one of which is the problem of elderly immigrants unable to qualify for Canadian citizenship because they cannot speak English well enough.

As everyone knows, from time to time there appear before the courts for examination applicants for Canadian citizenship who, because of advanced age or because, since their arrival in Canada, they have lived in remote areas often lacking the facilities which are available in urban communities, have been unable to master an adequate knowledge of English and therefore cannot meet the requirements of the act, so the presiding judge simply turns them down. It is rather regrettable that during this session no change in the citizenship act is being considered which would recognize the need for a modification of the regulations governing the examination of prospective citizens who have lived in Canada for, say, ten years.

I know, Mr. Chairman, that a person who has resided in Canada for a period of 20 years is not required by the act to possess an adequate knowledge of the English or French language. I presume that years ago parliament recognized the difficulty of certain immigrants in being unable to learn the language, and for that reason the language requirement was not applied. I am sure the minister appreciates the predicament of a considerable number of elderly immigrants who are today prevented from obtaining citizenship because of this aspect of the law.

I have in mind several cases in my own constituency. As an illustration I wish to point to the specific example of a 79-year old lady who came to Canada from one of the Scandinavian countries quite a few years ago. She is living with a son and daughter-in-law who are both in possession of citizenship certificates. Last year this lady made an application for citizenship but because of her inability to answer the questions directed to her by the presiding judge she was turned down. She appealed to me in the hope that I would be able to help to obtain for her a certificate of citizenship, because she was anxious to visit some relatives in the United States and without it she would not be allowed to proceed across the border.

Not knowing what to do about it, but wishing to indicate my willingness to assist the poor soul, I decided to write a letter to the judge pointing out that this lady was really anxious and worried that unless she got her citizenship papers she would never have a chance to see some of her relatives.

I suggested that perhaps he could give her consideration on compassionate grounds. In his reply the learned judge recognized the problem and also expressed his regrets, but said unfortunately the act did not provide him with an alternative. In another communication the judge writes me as follows, and I wish to quote from his letter if I may Mr. Chairman.

The Chairman: Order. I have been listening to the hon. member, but I must warn him that in accordance with the arrangement made this morning we were to discuss the Immigration Act and come back later to the problem of citizenship. However, if the committee has no objection to letting the hon. member discuss this matter now I would not raise objection, except to say that if I do not give him this warning I may have difficulties later.

Mr. Pickersgill: I think your ruling is, in principle, quite right, Mr. Chairman; but the hon. gentleman is half way through his speech and I am sure the minister would not object, any more than anyone else would, to his finishing, particularly as he is talking about immigrants who at the present time seem to have trouble in becoming citizens.

Mr. Badanai: Thank you, Mr. Chairman. I hear no objection from the minister and I thank her very much for allowing me to proceed. It seems to me that this is such an important subject that I cannot let this occasion go by without making reference to it, because it applies to quite a number of people and I am sure many hon. members in the house have the same problem in their constituencies.

I quote from the letter of the learned judge as follows:

> There are still a great number of these people in this district in this category and possibly not as deficient in knowledge of English as this lady. This elderly lady could not speak, understand or read English and so far as she is concerned it is impossible for her to comply with the regulations.
>
> In front of me are quite a few in the same category with varying knowledge of English. Generally speaking they understand English to some extent and are able to speak in English sufficient to be understood. A great number of these have children born in Canada who have married and the children also have children born in Canada. Their length of residence runs all the way from 28 or 30 years to 52 years. It is no use talking about them having any adequate knowledge of the responsibilities of Canadian citizenship. They know very little of the country except the immediate locality in which they live, they know nothing about elections, they do not understand about voting, and so on.
>
> I do not know whether it is possible but I have had a feeling for some time that on purely compassionate grounds possibly something might be worked out so that these rather elderly people can become Canadian citizens.

[Mr. Badanai.]

It seems to me, Mr. Chairman, that early consideration should be given to this aspect of the citizenship act and to such amendments as would take care of such situations referred to by the judge. I express the hope that the minister will indicate if and when we may anticipate changes in the citizenship act and also a thorough overhauling of the immigration policy of the government.

Our lack of a vigorous immigration policy in an underpopulated country such as Canada is a distinct deterrent to the development of the nation. Last year the total number of immigrants admitted to Canada was a little over 100,000. Last Monday I had the pleasure of listening to a member of the Australian trade commission who was addressing the Ottawa Rotary club. He pointed out that a Labour government which years ago opposed wholesale immigration is now following a vigorous plan of immigration which has given that country a degree of prosperity never enjoyed before. Contrary to the idea that immigration adds to unemployment, a belief unfortunately shared by quite a number of people in our own country, the number of unemployed persons in Australia is less than 2½ per cent of the labour force.

They have adopted a slogan, Mr. Chairman, over the past few years, and that slogan is "More people or perish". While I am not suggesting for one moment the adoption of this particular slogan, if I were asked to coin a slogan to meet the situation it would be "Population or a retarded development of Canada", and nothing short of that.

I also wish to remind the minister of what she said a couple of months ago to the Canadian ethnic press club in Toronto, to the effect that a "revision of Canada's immigration laws had become imperative", and that action along these lines would soon be taken. Now, Mr. Chairman, presumably the action to which she was referring was the removal of racial discrimination, which is still part and parcel of the Immigration Act. Two months ago it was going to be soon. What I would like to know is, how soon is soon?

An hon. Member: Twenty years under a Liberal administration.

Mr. Badanai: A reform of the act is not only desirable but necessary if we are to take advantage now of the opportunity to build a strong and healthy economy by adding consuming power to use the products of our primary producers and of our manufacturers.

I express the hope, Mr. Chairman, that the minister will take these few and simple suggestions to heart. As a matter of fact I believe I am expressing what may be in the

minister's heart. She must feel the same way about it as I am sure many hon. members of this house do, notwithstanding the interjection I heard a moment ago from the far end of the house, and I trust that some action will soon be taken in this particular and most important department of our government.

Mr. Skoreyko: Mr. Chairman, I wish only a few minutes of the committee's time on these estimates, but first I think it would be unfair if I did not offer a word of praise for the minister who I believe is doing a tremendous job in her department. However, there are certain anomalies in the Immigration Act, and in this connection I would like to put a few observations on record this afternoon.

First, it may be advisable to draw a distinction between immigration from the free countries of the world and that from the countries behind the iron curtain. Whereas immigration from the free countries is almost exclusively with economic betterment in view—and this applies to sponsored relatives to a degree—immigration from behind the iron curtain countries as well as from China and Japan is governed substantially by sentimental reasons and the desire of relatives in free, democratic Canada to come to the assistance of their kin living behind the iron curtain. The east Europeans also regard first cousins as close relatives, and often refer to them as brothers and sisters and not as cousins.

I suggest, sir, that it is therefore advisable to broaden somewhat the regulations governing the admission of relatives from behind the iron curtain and China and Japan. It would create, I am sure, a feeling of gratitude on the part of many ethnic groups in Canada. This step would be regarded as a humane gesture on the part of the Canadian government, and I do not believe it would greatly influence the over-all immigration quotas, as the number of persons permitted to leave the countries from behind the iron curtain would still be very small, due mainly to stringent restrictions placed on those people in those countries who wish to emigrate to Canada.

I would like to suggest a few reasonable changes in the Immigration Act; first, to include first cousins in the category of close relatives; second, to extend admission permits to the nephews and nieces of Canadian citizens even if they are not full orphans, and to raise the age limit to 21 years from 18 as is now stipulated in the regulations; third, to raise the age limit of the unmarried children of brothers and sisters emigrating to Canada from 18 to 21 years of age, thus diminishing the separation risk to families; fourth, to recognize half-brothers and half-sisters as close relatives, putting them in the same category as full brothers and sisters. This would also serve to eliminate the appearance of discrimination. Fifth, to permit entry to fiances and fiancees, thus eliminating discrimination. This may only have theoretical value, as applications for admission of fiances may not come forward at all.

The number of persons thus permitted to enter Canada would be small in comparison to general immigration figures. For instance, during the first four months of 1960 only 15 persons were admitted from Czechoslovakia, 8 from Estonia, 3 from Latvia, 1 from Lithuania, none from Romania, none from Bulgaria and 14 from the whole of the U.S.S.R. The largest contingent came from Poland, but even this figure did not reach 1,000 persons, the total being 747.

If we compare these figures with immigration figures for the same period of time from other European countries, we shall see the difference. During the first four months of 1960 there arrived in Canada, 2,760 persons from Germany, 6,424 from Italy, 5,722 from the United Kingdom, 1,483 from Greece, etc. Those persons who apply for the admission of relatives from behind the iron curtain are in most cases old established immigrants.

Immigration from these countries not including the displaced persons, stopped almost completely in 1939. In ever so many cases the immigrants of that day are without close relatives in Canada. Many of these now have ample means to guarantee support. I suggest, sir, that if these sponsors can satisfy the Canadian authorities in this regard, and if the persons who apply for admission comply with governing immigration regulations, there should be provision made to allow these people to enter Canada.

It is a generally known fact that many who wish to join their families in Canada and apply from Poland are of non-Polish origin. For security reasons, afraid of being sent to various Soviet republics by the Communist authorities, they pose as Poles but they include thousands of Ukrainians, Jews, Lithuanians, Byelorussians and others who could be included in the immigration from Poland. This last mentioned fact can be confirmed by the respective ethnic organizations in Canada.

I urge the minister to give serious consideration to these recommendations so as to correct the anomalies in the present act and assist in easing the situation.

Mr. Maloney: Mr. Chairman, I have just a few words I should like to add to the discussion that has taken place on the estimates of the

Minister of Citizenship and Immigration. I listened with much interest to the remarks that were made by my friend the hon. member for Bonavista-Twillingate, and also to the remarks that were made by the first spokesman for the C.C.F. party, the hon. member for Vancouver East.

I have always been at a loss to comprehend what really was in the mind of the late Mackenzie King when he laid down the basic character principle to which the hon. member for Bonavista-Twillingate referred with a large measure of support and approval. Whether it be a fair interpretation of the late hon. gentleman's words, the principle is none the less construed as meaning that the immigration policy of this country should be such as to control the immigration to Canada in a way that would overt the possibility of too large a proportion of the population belonging to races that are neither Anglo-Saxon nor French.

It seems to me that if that is a true construction of what is meant by the basic character rule it ignores a very important fact. That fact is that today in Canada about 28 per cent of our population is neither Anglo-Saxon nor French. If the basic character principle is as I have attempted to enunciate it, it strikes me that regard must be had to that very large percentage of the population that falls into racial groups which, as I say, are neither Anglo-Saxon nor French.

If the basic character principle of the late Mr. King is a principle of strict application, surely as long as we have large numbers of individuals who are desirous of coming to Canada from the countries of central and eastern Europe we should not shut the doors to desirable persons from those countries while the English, the Irish and the Scotch wait to make up their minds.

I listened attentively to the remarks of the hon. member for Vancouver East, who enunciated what I suppose can be fairly described as a policy of restricted immigration. That appears to be good C.C.F. philosophy. It also appears to be good Canadian Labour Congress philosophy. I suppose that in view of the new but as yet unnamed partnership between the C.C.F. party and the Canadian Labour Congress it is not surprising that the hon. member should give voice to sentiments such as those he expressed during the course of his remarks today. An immigration policy as restricted as would be the policy advocated by the hon. member and by the congress would, in my opinion, as I have stated on previous occasions in this house, be an unrealistic policy and one lacking in farsightedness.

[Mr. Maloney.]

The hon. member for Vancouver East obviously belongs to that group of individuals who suppose that immigration aggravates conditions of unemployment. The hon. member for Fort William discussed that topic a few minutes ago, and both he and I spoke on the same subject on the occasion of the debate on the address earlier this session. As the hon. member and I then pointed out, the opposite is in fact true. I think if one examines the percentage of Canadians who are unemployed in the various provinces, one will find that unfortunately those provinces which have attracted the smallest number of immigrants suffer today from the largest percentage of unemployed. On the other hand, if one examines the figures for Ontario one finds that whereas since the last war Ontario has absorbed 50 per cent of the immigrants who have come to Canada, this province has the lowest percentage of unemployed.

I was particularly sorry to hear the hon. member for Vancouver East give voice to what I call the old nazi bogey. I think I know the hon. member well enough to know that he did not intend to smear the German immigrant population of Canada, but the clear impression which would emerge from his remarks—an impression which I hope and feel sure he did not intend—is that the majority of the German immigrants to Canada are either nazis, former nazis, or nazi sympathizers. It is my experience, and I am sure it is the experience of all my colleagues who represent constituencies part of whose population consists of German immigrants, that nothing could be further from the truth. In a long association with many immigrants who have come to Canada from Germany I have found them to entertain the same feelings of revulsion that are entertained by any of us when we contemplate the terrors and the horrors of the Hitler regime.

The hon. member is not alone in the impression he created. On the same theme I have in mind the Canadian Broadcasting Corporation. It has been brought to my attention, in connection with the point I am now making, that the C.B.C. has seen fit in the last year or less to resurrect for its late night movies some of the old nazi horror pictures. This accomplishes nothing in the field of entertainment for fellow Canadians, but it has served to keep in mind the kind of prejudice that ought to be done away with. We have taken steps to invite people from Germany to come to this country to make it their home. Many people have come in response to that invitation and it is unfair, I would think, for a government owned institution such as the Canadian Broadcasting Corporation to be

sponsoring this kind of so-called entertainment which does nothing more than give rise to feelings of prejudice.

While on this subject I have in mind, too, a more recent episode involving the C.B.C. when a show was produced which had the effect of insulting large numbers of our fellow Canadians of Ukrainian origin. It strikes me that one solution to this particular problem is that when a vacancy occurs on the board of broadcast governors some thought might be given by the government to filling that vacancy by the appointment of someone who belongs to one of these immigrant groups. Such a person could perhaps advise the C.B.C. in a way which would prevent a repetition of unfortunate incidents of the kind I have mentioned.

It certainly has been my experience, moving among native born Canadians, that there is a very decided falling off of prejudice against immigration and against the immigrant. It is still there but it is not to be found in more intelligent quarters, and it is not to be found among as many of the people as was probably the case in earlier years.

I had brought to my attention today by the hon. member for Edmonton East a booklet which I gather is published under the authority of the hon. lady's department. It is entitled "Notes on the Canadian Family Tree", and I would certainly recommend to all my colleagues that they obtain a copy of this booklet, because it does throw some very real light not only on the numbers of immigrants who have come to Canada since the second world war in particular, but also on the characteristics and qualities they have brought with them.

Many of the criticisms which are directed against immigrants stem from unawareness or ignorance, and I use that term in an inoffensive sense. It strikes me that one of the best ways to overcome prejudice against immigration and the immigrant is to more fully inform the people who are most inclined to entertain feelings of prejudice on this subject. I have often felt that the facilities of the hon. lady's department could be very effectively utilized in the compilation of history text—a brief, and necessarily incomplete, outline of the historical backgrounds of many of the races that are now represented in Canada's population. Some of the historical highlights in the history and background of these peoples might well form the subject matter of a first class history text which could be prepared under the auspices of the hon. lady's department and furnished to the provincial departments of education for the use of high school students in Canada. It strikes me that would be a very real way to alert native born Canadians to the riches that have been acquired from the customs, cultures and traditions of so many of the immigrants who have come to live in Canada.

There is a feeling among many native born Canadians that the process of integration or assimilation of the immigrant into the Canadian fabric is too slow and ought to be expedited. I think if some kind of history text such as I have mentioned were distributed and became a subject of study this desire for expedited integration might not be so strong. I often go to meetings of the various ethnic groups that have come here from the countries of central and eastern Europe. I attend their rallies at which they commemorate some important events in the historical background of their country, occasions when they do honour to some national hero or commemorate some other important historical event. I see them perform in their native costumes and sing their national songs. If integration were to mean that that sort of thing would be discontinued, in my opinion it would be unfortunate indeed, because these manifestations of the ancient cultures from which so many of them emanate are to me a source of riches to this country, a source of riches to a Canadian nationality which is not yet fully formed.

There are other objections to a policy that would discourage these people from meeting from time to time in national groups. First of all, there is a great uplift to the morale of the immigrant by virtue of his ability to find persons who can speak his language, who come from the same country and are familiar with the customs of that country. But besides being a boost to the morale of the immigrant, the formation of national groups has enabled these groups to take care of their own and has saved the government much painstaking responsibility in that field, a responsibility that it otherwise would have been required to assume.

I think too that on this occasion a tribute should be paid to some of the outstanding leaders of the various ethnic groups in Canada for the aggressive leadership they have given in curbing and keeping down, if you will, some of the ancient animosities that were known historically to divide some of the various groups that now live side by side and in harmony in our country. The perpetuation of old European animosities would not be to the advantage of the immigrant or of the country of his adoption. As I say, in my opinion a special tribute should be paid to some of the outstanding leaders of these various groups who have taken active steps to prevent these animosities from shaping up into anything serious

in Canada. In that respect I think a tribute also should be paid to the editors and publishers of the foreign language newspapers of Canada, which are now published in such large numbers and have such a wide circulation among this ever-growing and increasingly important part of our population.

Those, Mr. Chairman, are some of the sentiments that I wanted to take advantage of this opportunity to express.

Mr. Pickersgill: Mr. Chairman, I hope the hon. gentleman will permit me to say a word. I did not like to interrupt the hon. member for Parkdale but I do have to take some exception to something he said, though I am sure he said it quite innocently. He suggested that in my speech this morning I had said something about the basic character of the population referred to in Mr. Mackenzie King's statement. I said nothing about it at all. I did not even mention that particular aspect at all. I was referring to another matter entirely, the control by Canada of its own immigration policy.

I should not like it to be thought that the hon. member's interpretation of Mr. Mackenzie King's mind was one with which I agree. I always understood that what was meant was that, having developed a certain kind of Canadian outlook, we wanted to add to our population people who would contribute to that in much the way, with which I have no quarrel, that the hon. member has suggested is being done; and I would say that the best interpretation of what Mr. Mackenzie King meant is the immigration policy that was followed by the Liberal government between 1947 and 1957. But there is an authoritative interpretation to which I might direct the hon. member's attention. It was given in the house by the hon. member for Eglinton when he was sitting on this side of the house. As this is the latest authoritative interpretation of Mr. Mackenzie King's mind, and as it comes from one of the leaders of the hon. member's party, I thought he might like to be reminded of it. It is to be found on page 1196 of *Hansard* for February 15, 1955, at which time the hon. member for Eglinton said:

> Let us face frankly the fears which immigration has engendered in some Canadians. Those fears have been principally on the grounds of race and employment. On the subject of race I think the government owes a duty—

This is the hon. member for Eglinton, the present Minister of Finance, speaking.

> —to the people of Canada to say, as we Conservatives say and say emphatically, that immigration into this country must never be permitted to have for its purpose disturbance of the fundamental racial composition of Canada. We subscribe most emphatically to that point of view.

[Mr. Maloney.]

That is the hon. member for Eglinton, now the Minister of Finance.

> There are those in this country who have feared immigration because they thought it offered a threat of assimilation into an English speaking community. That is not our view of immigration. We would resist with all the power at our command as a party any attempt to use immigration for that purpose. We owe a duty to Canada to allay that fear that admittedly has existed in certain quarters. I say at the same time that the government owes it to the people of Canada to make a similar declaration to allay those fears.

I think that can be regarded as the official Conservative canon on this subject, and I commend it to the hon. member for Parkdale.

Mr. Crestohl: Mr. Chairman, I was of course pleased to hear the minister repeat what I should like to term her credo for an immigration policy for Canada. This is not the first time she has spoken so forcefully and effectively about the necessity and desirability of increasing the population of Canada. She has made these speeches outside the house, in various parts of the country, and they have all been well received. Similar statements have been made by the Prime Minister urging a high rate of immigration. A former leader of the opposition, Hon. George Drew, at one time spoke in the house in terms of seeking 25 million immigrants for Canada. I go along with that, as I think most Canadians do, as a desirable immigration policy for Canada.

However, I am sure the minister and the government will understand that when we say things which might sound as though we were not in complete agreement with the minister or her statements, those statements should be accepted as constructive criticism. I do not want to even term it as criticism. It is true that in all honesty and sincerity, people do not agree about methods, systems or philosophies.

I feel that there is much in the present Immigration Act that could be improved. I want to address myself to those things with a view to improving the act, in the hope that the minister's expressed wish in connection with immigration will be realized. She has said she takes the long range view, but I hope she is not wearing short range glasses. It is quite possible to have a long range view on immigration and yet, in all honesty, be a little short-sighted in implementing that long range view. These are some of the things I should like to touch upon.

I do not know whether anyone, including the minister of immigration, could today lay down for Canada a clear-cut and specific immigration policy. I consider her statement today as rather vacillating. She seemed to say yes, we want immigration, but we want immigrants of a certain kind and the act says we

want them mostly from certain places. This may be quite true, but is that a long range view? Let us see, for example, what happens. We look for immigrants, preferably from certain sections of the world because we believe they can more rapidly integrate into the Canadian way of life. Unfortunately those large waves of immigrants that we speak about are not available from these quarters.

I think the long range view, and I now address myself to the minister directly, can be helped by looking at what has happened in the past. You talk about bringing in large waves of immigrants, and you look over the applicants to judge their suitability for that long range immigration program. It is quite possible that those whom we look upon now as prospective immigrants from central Europe and other parts of the world may not be the most desirable for that program. I cannot say what the reason may be. The Immigration Act apparently does make some classification.

However, I feel that the long range view of the government and of the minister would best be served by looking at the second generation Canadians. I have sat here making a fast count, and I find there are members in this house who are not first generation Canadians. There are, either in this house or the other place, roughly between 12 and 15 hon. gentlemen who are immigrants into this country. This does not mean that they may not be first class Canadians. Let us look a little further; let us look at the next generation of Canadians. I was not born in this country, and that is true of other members in this house. This does not mean to say that my children are not first class Canadians or that they will not continue to be. They have worn the king's uniform and have graduated from Canadian universities.

This is what I call a long range view. Second, third and fourth generation Canadians are all Canadians. You cannot now tell from what part of Europe they came or from what country they came, whether they came from Anglo-Saxon countries or Latin countries. Today they are Canadians, and in my judgment that is the long range view which the minister should take in looking upon people who today come knocking upon our doors saying they want to come in. We should not say they are not qualified. If there is a possibility of admitting people, let us admit them. If they are qualified, if they appear intelligent, if they are in good health, if they have good records, let us accept them.

I do not believe anyone else needs to speak about large waves of immigrants. The government is doing that, the minister is doing that, the Prime Minister is doing it and the Minister of Finance is doing it; that is an accepted fact. Unfortunately I feel that legislatively and even verbally we say we want large waves of immigrants but are we really doing the things that will get them? I feel that we are not. The hon. member for Vancouver East spoke this morning about the advertisements for tradesmen to come to Canada. We have to look at the position. Either we want immigrants or we do not want them. Let us not say we want them and then make it extremely difficult for them to come. These statements may sound very well and be very satisfying and they may meet certain situations such as the one the hon. member for Parkdale referred to, keeping a certain balance. There is no question, however, but that if we look at the position today we will have a very difficult time setting up a policy. We should be looking at the future of Canada 50 years ahead, 100 years ahead or 200 years ahead; that is the kind of long range view to take, not what will happen this year or next year. We could become despondent if we were to judge the long range program by what has happened.

I believe that in 1957, if my records are correct, approximately 282,000 people came into this country. In 1958 the number dropped to 124,000. That is a staggering figure when we think in terms of large waves of immigrants about which the minister speaks. You do not increase the population of Canada when the number of immigrants is cut in half. What is the reason for this? Have we made it difficult for them to come or have we made it easy for them to come? Have we welcomed them or have we done everything possible to keep them out?

I feel, and I have felt over the years, that there has been a tendency to keep immigrants out of the country. When an immigration official examines a prospective immigrant he does not examine him from the point of view of whether he is a desirable immigrant; of what we can find in this man that will enable us to issue a visa. No; unfortunately the reverse attitude is taken. They say we must keep him out; and upon the slightest suspicion, without even investigation, as the hon. member for Vancouver East has pointed out, that is done. It is the safe thing to say no. It is always safest to say no.

I know our immigration officials abroad and in this country extend themselves as far as they can to give a favourable decision. They are very courteous, very thoughtful and very compassionate at times. However, unfortunately the regulations tie their hands. Often they cannot say so, but we have to read

between the lines when they say no. There appears to have been a philosophy toward immigration to keep immigrants out of Canada unless they fall into a category that would maintain the balance. I do not know what balance. Perhaps some things are left unsaid, and sometimes that is the better way.

If we seek immigrants for Canada, I wonder whether the minister and her senior officials will take a new look. There has been some modification in the department and perhaps new officials will take a new look. I am hopeful that perhaps the officials and the minister will now take a new look at bringing immigrants into Canada. We want them. On that score I think all hon. members of the committee are fairly well agreed. The question of these tradesmen to which I referred previously leads me to one conclusion. Approximately 50 trades are listed. Every conceivable trade, employment or profession to which you can possibly refer is listed here. Canada is looking for all these immigrants or all these types of immigrants. If that is so, is it because we are looking for people as immigrants to populate our country or are we looking for tradesmen? For example, are we short of bricklayers, cooks, domestics, dry cleaning experts and so on down the list?

Mr. Martin (Essex East): We are short of good government.

Mr. Crestohl: My hon. friend says we are short of good government. That may come in time. I am fairly sure it will come in time.

The fact is that I do not think any hon. member in the chamber, regardless of his political allegiance, will say that we in this country are short of tradesmen of these kinds.

Mrs. Fairclough: I wonder, Mr. Chairman, whether the hon. member would tell us what it is he is reading from.

Mr. Crestohl: I am reading from a photostatic copy of an advertisement which appeared in the Belfast *Telegraph* of December 6, 1959. If this is a program to attract immigrants to Canada, well and good. I hope it is. I am not critical of it. I rather regard it more as being an advertisement to attract people from that area to come to Canada. I do not want to say it is that certainly, because I do not know; but I doubt whether similar advertisements appeared in newspapers in other continental countries in Europe. I do not know. Perhaps the minister will enlighten me. However, I feel it was directed mostly to Belfast and other Anglo-Saxon countries, being a rather direct appeal for immigrants. I am willing to accept that explanation. It is most welcome. But if we want immigrants, it would be interesting to know whether the minister can tell us how much money was spent for this advertisement and how many immigrants it actually produced.

We know that there are immigrants clamouring to come to Canada and that they are not readily admitted. I do not want to say that there are obstacles, but they have difficulties because of the existing regulations. Of course, I for one am appreciative—as is the rest of the country—of the thoughtfulness of the department and the minister in admitting a number of hard-core cases. That was certainly a compassionate and humanitarian thing for the government to do. It is in line with Canadian thinking. It is in line with Canada's showing the way in assisting humanity where such assistance is required.

Then also there are refugees. The government showed fine consideration for refugees who have come to Canada. There is a third class of immigrants who now wander over the face of the globe. They are called stateless persons. Somehow or other I do not think we have ever had a complete definition or understanding of what a stateless person is. At one point the minister was asked about stateless persons. If a stateless person is in Canada and must be deported, she was asked to what state such a stateless person could be deported. I think I asked the minister that question. The very term "stateless person" indicates that you cannot deport him to any state. The minister attempted to give some sort of answer to the effect that she would deport him to the last country in which he had been if that country would take him. It is, of course, an anomalous position and I hope the minister will, in some form, give a little bit lengthier explanation of what Canada will do with a stateless person who is about to be deported.

I should also like to say a word about the Canadian government immigration policy with respect to visitors to Canada. I think the procedure with respect to visitors lends itself to the severest form of criticism. Why should we deny people the right to visit Canada? Of course the minister explained that matter in her statement of 1958. She said that these people come here as visitors and then decide to remain here and make application. What if they do? People come and visit Canada. They like Canada. They see Canada. They decide to try to remain in Canada. There is no crime in that course. There is no offence in it. I rather think it is a compliment to Canada when they come here to visit the country, see it, like it and then ask permission to remain here. But no; the department and the act or the regulations—I do not know which it is—make of that procedure an offence. What is said to these people is this: you came here and you

fooled us; you fooled our immigration inspectors whom you saw in Europe. You said you were coming as a tourist but you had no intention of coming as a tourist, you really had the intention of remaining in Canada; and because you fooled us, we cannot consider your application.

I say that is not a generous view to take. Technically speaking the department may be right but it is not a generous approach to take. I know of a number of cases of young men who have come to this country as tourists, one to visit a brother. They are university graduates. Then they decide to remain in Canada and they apply for permission to remain. Even though this man has a brother who is resident in Canada, the department says to him, "You cannot apply while you are in Canada", because of the minister's statement in 1958. The department says, "You leave the country; you go back where you came from and when you are there, apply there and we will process you there".

Again I say that, technically, that procedure may be correct. However, in its practical application, in the economy of the whole thing, it is basically wrong. You have the man here. Examine him. Find out whether he is a good immigrant. Find out whether he is in good health or whether he qualifies. If he does so, land him here. Why send him back thousands of miles to file his application elsewhere?

There may be reasons for a thing like that. I hope the minister will explain the reasons. It just does not make good sense. It is not good business and it is not good economics. Certainly in many instances these people are desirable immigrants and we, who seek many immigrants, lose them. That is one of the faults, among many others, upon which I should like to touch in referring to the Immigration Act in a few moments.

I should also like to say a word or two about some immigrants from the Middle East, from such places as Iraq, Lebanon and other Arab countries in which it is difficult for certain people to remain in safety. I know that the department extends itself as much as possible to show special compassionate consideration for all the dangers which surround the lives of these people and tries to help.

Unfortunately they are often handicapped, not so much by the act but by the immigration regulations. I appeal to the minister that when these cases come up she should look upon them as generously as I know she can and I ask her to encourage her officials to extend themselves as generously as possible, because it is a question of human life. If these people are forced to return to these countries some of them will not go back because it means certain death. It is almost as bad as not wanting to go back to the countries behind the iron curtain.

I make a special appeal for these immigrants from Iraq. A number of cases I know of are now before the department. All concern very fine, intelligent, well educated people of substance who are in Canada now. They are here as tourists or students but they live under the constant fear of being asked to leave Canada. I make an appeal on their behalf. Perhaps they do not fall within the four corners of the act at the present time, but there are certainly grounds in the act which allow the minister a certain latitude to deal with these very special cases, and they deserve the department's and the government's most sympathetic attention.

I know of the case of a stateless person, for example, where I am told the department went to the embassy of the country where that person ran away from because of certain fears that person had and asked the embassy, will they take this person back? It becomes a very painful situation. It is even painful to talk about because these things are filled with tears right down the line. I hope the department will stretch the immigration regulations as far as it possibly can to give these people the necessary relief.

I should like to deal with this question of visitors and to quote very briefly from a statement once made by the present Prime Minister when he was sitting in opposition. On January 26, 1957 he said:

> Petty little legalities should not interfere with the admittance to this country of someone who is physically and mentally fit.

I rather admire that statement. It was a lofty statement for the Prime Minister to have made at that time.

Again, he said on September 20, 1954:

> Good citizens should not have their way impeded by roadblocks and departmental red tape. We have lost many excellent immigrants.

I cite these quotations not because the department is not familiar with them or because the minister does not understand them but because I feel they should go on record if for no other reason than it is another nudge in the direction of doing away with minor legal technicalities and allowing these people to emigrate to Canada.

I should now like to point out to the minister a number of anomalies, and I am glad her officials are in the chamber. The hon. member for Edmonton East pointed out some anomalies contained in the act and the regulations and I would like to point out some which are really very painful. There are five subsections to section 20 of the act dealing with regulations applying to immigrants.

Under subsection (a) immigrants from some countries need nothing else to enter Canada except some means to maintain themselves until they find a job. That is the only requirement they need; to be in good health, of good morals and have a little money to keep body and soul together until they get a job. That is very admirable and to be commended. However, in another subsection we find that from other countries immigrants need nothing else except to come to a job which is already waiting for them or to establish themselves in business, in a trade or profession or in agriculture. Again, as in the previous case, the question of having close relatives in Canada does not enter into it. If a man can comply with these items he becomes admissible. I commend that section. It is a fine section. That does not make immigration into Canada difficult, but proper as it should be.

There is another subsection which lists certain countries and only the close relatives enunciated in the section are admissible. In this category there are no limits provided the immigrant is in good health and is a relative as defined. The question of occupation does not enter into it. A potential immigrant may have means and a job, but if he does not have close relatives as defined he will not be admitted. To my way of thinking that is contradictory.

A further subsection refers to other countries and lists the same close relatives as in the previous subsection except that the parents of a Canadian citizen in this case must be over a certain age, 65 years in the case of the father and 60 years in the case of the mother. I have spoken about this before. I find it extremely difficult to understand the reasoning behind this subsection. I do not see how anyone in good sense can say that is a desirable regulation. If the father is 64 years of age he cannot be admitted; he must be 65 or over. Surely hon. members will not deny that a father of age 64 is just as beloved to his child as is a father of 65 or 66. Why should one not be allowed to bring his father to this country even if he is only age 64? The same applies to a mother. If the mother is 59 years of age she is not admissible—I am speaking now of the mothers of Canadians—if she is 60 or 61 she is admissible. How can one possibly draw such a fine line? I wonder who the genius is that set down those fine lines of demarcation?

Mrs. Fairclough: I can answer that question, Mr. Chairman. It was the hon. member for Bonavista-Twillingate.

Mr. Crestohl: I was just on the point of saying that. If that genius was a member of the former government I assure the hon. gentleman can accept that criticism in a lofty sense. Is the minister now saying to me that that was a good regulation enacted by the former minister? If so, let the hon. lady get up and say so.

The Deputy Chairman: I am sorry to interrupt the hon. member but his time has expired.

Mr. Pickersgill: Mr. Chairman, perhaps you might allow me to reply to the hon. member for Cartier and then he could proceed. As the hon. lady has said, I was responsible for the drafting of that particular regulation. I think perhaps the hon. member for Cartier would like to know why it was drafted that way. It was done that way because these categories apply to countries that are under communist domination and, I think, only to those countries. It was on the advice of the security officers that it was done that way. Since we could do no security clearance in those countries at all and there were no facilities of any kind for that it was the view of the advisers of the government, which in this case I accepted, that the risk of a man over 65 or a woman over 60 or of children of the ages specified was a risk that we could very reasonably take.

I may say I have no doubt that the hon. lady does just what I did when there was some case of great merit where the father was 64. We asked the governor in council to be generous in the matter. I admit at once that the hon. member was correct in saying that on the surface this looks completely silly. I simply wish that we lived in the kind of world where we did not have to have any kind of security screening at all because it is the most unpleasant and objectionable thing about immigration and, I think, about every other aspect of our lives in a world that considers itself civilized.

The Deputy Chairman: The procedure, of course, has been for the Chair to recognize an hon. member from the other side of the house. I recognize the hon. member for Vancouver-Burrard.

Mr. Taylor: Mr. Chairman, I wish I had had the opportunity of rising a few moments ago when we had an hon. lady of this house occupying the Chair because I think it was an historic occasion to have an hon. lady chairman when an hon. lady minister's estimates were under review.

I wish it was my lot today to pay tribute to the minister for all the wonderful things that her department has done but I should like to restrict my comments at this time to one facet of the Immigration Act and that is the procedural part of the legislation.

Many statements have been made inside and outside of the chamber since 1957 to

the effect that the House of Commons in due course would be considering a new Immigration Act, an act which I believe hon. members will recognize as being one in which I have become extremely interested. To date we have had no opportunity and no assurances that we will shortly be considering this often-discussed new immigration bill. In that regard it is rather disappointing to me not to have had an opportunity to speak about it because during the election campaigns I stated to my constituents that I would fight vigorously for a new immigration bill.

I do not propose to speak at length today because I have already spoken on this subject on previous occasions here in the House of Commons and certainly on many occasions outside the house. My chief suggestion to the minister is that at the earliest possible moment we be given an opportunity of considering a new immigration bill. I believe it is now too late in this session to provide such an opportunity but I hope mention of this will be included in the throne speech at the next session.

With the advent of the revised act of 1952 many hoped that the evils, uncertainty and the rigid ministerial control which for many years had plagued the field of immigration would be mitigated. Provision was made for an immigration appeal board. Certainly that was a step in the right direction. The sections of the old act were re-arranged, additional definitions were inserted and the result appeared to be a better example of legislation. Unfortunately little of substance was altered and the act together with its regulations remain in my opinion as one of the saddest statutes on the books today. As far as many of us are concerned—those of us who practise in this field and I presume many other hon. members do—frustration, bewilderment and confusion have become the common lot of those engaged in this departmental work. The administration of the act has been carried on in a general atmosphere of secrecy, in the main, which has certainly in the city of Vancouver, and I suggest elsewhere, provoked sharp criticism from the bench and the bar and certainly from the press.

Since world war II, mainly as a result of the efforts made by the Canadian Bar Association, ministerial discretion in various departments of government has been drastically reduced. Perhaps the best example can be found in the administration of the Income Tax Act which points to a tendency to restore the administration of public departments of government to the field of law. Both the Income Tax Act and the Unemployment Insurance Act provide excellent machinery for the hearing of grievances and of appeals and with the improvements which are being made annually in those administrative procedures few can find anything to criticize in the administration of those two government departments.

The trend has been the same in the provincial field and numerous new statutes enacted in the past decade have been careful to provide adequate machinery for the hearing and appealing of applications, ministerial orders and the like. The Immigration Act, however, remains as an outstanding exception to this general tendency.

Since world war II Canada has received approximately two million immigrants. Certainly credit is due to the previous administration for bringing so many people to this country. They have made excellent residents and citizens of this nation. It is the hope particularly in my area that the present government will pursue just as vigorous an immigration policy. If my memory serves me correctly, immigrants to Canada since the last war have brought $1½ billion to this country in the way of assets. Certainly they have brought new ideas and modes of carrying on business and these contributions have been welcome.

The present Immigration Act serves the masses who come to Canada. I have no complaints about that aspect of the act but I suggest it does not serve the increasing numbers of those who run into difficulties under the act. It has been the immigrants with problems that have focussed our attention on the inadequacies of the act. I suggest it is in this field of procedural problems that we have attracted the sharpest criticism from judges and the press. Many have become aware of the shortcomings of the act and I suggest there is now a widespread call, in fact a demand, that the act be completely changed.

Certainly any student of immigration law has strong feelings about the practices and procedures of the department. It is known that I have written many letters on the subject and have had the honour to serve on a committee of the Canadian Bar Association dealing in particular with immigration procedures. Since coming to Ottawa as a member I have strongly advocated changes in the legislation because, as I have indicated to the minister and to you, Mr. Chairman, we said in my riding that we would fight for a new immigration act. Again I say how disappointing it is to me that we have not yet had a bill brought before us.

At this time I should like to commend the staff of the immigration department for the

job they have tried to do under a most difficult and unworkable act. They have certainly been loyal and trustworthy but I can readily see that no minister or civil servant could really do the job that is required under the present act.

I would very much like to be able to commend the provisions of the act because I believe that all concerned know it is just not my nature to publicly criticize anyone personally and indeed I find it difficult to criticize publicly even the procedural aspects of the department. In 1957 the Vancouver *Sun* said in an editorial:

> Surely Ottawa is capable of devising a system that looks fair and humane while still protecting Canada against inflow of subversives and undesirables.
>
> Public policy demands it, aside from the urgency of protecting Canada's reputation as a country which respects human rights...
>
> When an immigrant isn't satisfied with rejection by a special inquiry officer, he should have access to a fair appeal procedure.

The article went on:

> To get to the courts, a would-be immigrant must claim that immigration department proceedings were so unfairly or so badly conducted as to violate natural justice. This is a shocking accusation to have made—and upheld by the courts—against the Canadian government several times a year.

That is the objective toward which I am trying to work today. We should try to bring about a system that will not attract such sharp criticism. Recently one of the learned judges of the supreme court of British Columbia said that those who had knowledge of the act were not working hard enough to bring about changes in it. He said at that time that he was adding his voice, as a voice in the wilderness, in an effort to bring about changes.

We are disturbed at the present time about the Chinese problem in many parts of Canada, but before we become too critical of that minority group, should we not consider the system under which they enter this country? Hon. members may look as long as they please, but they will find no rules, no regulations, no section of the act, setting out the procedures under which these people enter. There is a marked shortage of regulations guiding their admission, and I suggest that those Canadians who are applying for dependants are entitled to better treatment in this respect. Surely we could devise a system under which they could enter, clearly knowing what was being done. Some rules should be established with respect to the hearing overseas, and others to govern appeals in cases in which applications are rejected.

All too frequently one hears the argument that these matters are not very serious, that only a small minority group is affected. The applicants are, nevertheless, Canadian citizens and the words used by Mr. Justice Duff, as he was then, in a well-known case known as Samejima versus The King which is to be found in the library referring to a deportation order 23 years ago, still apply as ever. He said:

> I gravely fear that too often the fact that these enactments are, in practice, most frequently brought to bear upon orientals of a certain class, has led to the generation of an atmosphere which has obscured their true effect. They are, it is needless to say, equally applicable to Scotsmen. I admit I am horrified at the thought that the personal liberty of a British subject should be exposed to the hugger mugger which, under the name of legal proceedings, is exemplified by some of the records that have incidentally been brought to our attention.

I agree that the oriental situation is in many ways the most serious immigration question we face at the present time. Persons claiming Canadian citizenship over the years have been barred from Canada. Intending immigrants and relatives of Canadian citizens have been rejected on a visual estimate of age corroborated by a pseudo-scientific radiological procedure. I agree that a decision is difficult in cases of this kind, but I say that if we grant a hearing overseas it should be a fair hearing. I suggest that at present it is not a fair one and that we should correct the situation and bring about at an early date a procedure whereby a copy of the transcript relating to the hearing overseas is made available to the Canadian applicant. Certainly, over the years, persons have been granted admission by order in council, but at a later time a visa has been refused. There has been a lack of any form of hearing. There has been a refusal to allow counsel to be present at these overseas hearings, a position which has attracted sharp criticism.

Another editorial which apeared in the Vancouver *Province* had this to say:

> An intending immigrant, once refused admission may butt his head against the stone walls of the department as long as he likes without learning the real reason he was denied admission.

It is with situations of this sort that I rise today to deal. It is my desire to persuade the minister and her officials, if I can, to devise some rules which will give these people a chance. This does not necessarily mean that we will have to amend the act, because many of these questions are procedural matters which could be corrected by order in council. Many problems are involved, and I know it is impossible to please everyone, but I say we should not hesitate to condemn a policy, carried out on a basis of secrecy, which refuses to give reasons for the actions it takes

and which does not provide a proper tribunal so that a full and fair hearing is given to the Canadian dependents.

In considering the new act I hope the minister will consider establishing a quota system for Canada so that Canada can receive from all countries, including those in the British Commonwealth, some immigrants from each country. A quota system would in the main be a new departure although we have a quota system in effect already respecting the East Indian community. A quota system could, to a large degree, follow the system used in the United States and it would result in many people who are not at present admissible becoming eligible for admission to Canada.

I should like, also, to see easier entry made possible for persons who are able to support themselves. There are many people who would like to live here almost indefinitely, without necessarily taking employment here. I am thinking, for example, of writers and artists. There may be other classes of people in this position, including elderly people who would like to reside here; people who have ample means and who, again, would like to settle here indefinitely. Under the regulations as they are at the moment hon. members will find that many industrialists, importers and exporters are barred from Canada unless they have a son, or a daughter or a wife in this country.

In making these suggestions I should like the minister to consider the following proposals. First, that the departmental regulations be codified and that departmental practices relating to the application or interpretation of the act be supplied to all persons interested. A statement of policy by the minister has in the past been relied upon as the basis of admission or rejection of applicants. In the past statements have been made in the house which formed the basis and the only basis upon which some dependents of Canadians could enter the country. I suggest that that is something we should overcome and that the regulations in that regard should be codified.

The second point is that certified copies of all applications and all exhibits and other material upon which decisions are based should be supplied at a reasonable cost where it is established that the document is not available to the applicant.

Third, the procedure in dealing with applications for admission and for other matters dealt with at immigration stations should follow a standard pattern. Those of us who have had experience with the department find that the same procedure is not followed at the various ports of entry. It is for that reason I am making that suggestion at this time.

Next, there should be an appeal to the courts on all matters of interpretation of law and on all other grounds recognized as proper grounds for appeal from administrative tribunals.

Next, I say that all statements made at any investigation, inquiry or examination—in making this suggestion I have in mind that we are dealing with dependants of Canadians, not necessarily immigrants from overseas who have no close relatives in Canada—relating to the applicant's status or that of his dependants should be under oath and be in writing or be reduced to writing and that the applicant should be given a copy of part or all of the transcript subject to the payment of a reasonable fee.

Next, I suggest that an immigration appeal board, as provided in the act, be established and that it hear not only appeals from deportation orders but also from the refusal of a visa, again where dependants of Canadians are involved. I suggest that the appeal board should have jurisdiction to determine questions of both law and fact, and that the right of the minister to decide which appeals shall and which shall not go to the board should be deleted. In other words, the suggestion here is that in each and every case these appeals should go to the board and that the minister should have no right to delegate these cases to herself in some instances.

The next suggestion is that written reasons should be furnished by the minister or by the board for the rejection of appeals. This would be most helpful to members of the house and to the many Canadians who are interested in immigration problems.

Next, I suggest the formulation of a policy of bail under section 18 which would confer discretion on a special inquiry officer. The present policy is dictated by the department and it does not allow security by the depositing of title deeds to real property and the like. I would particularly ask the minister to deal with this aspect of the problem when she is commenting later because many people arrive at the Vancouver port of entry after five o'clock at night and it is my understanding that there is no provision even for accepting a cash bond at that time and that on the following day a cash bond is specifically requested. The department cannot accept the security of title deeds and so on, which would be of help to those who wish to assist in arranging the bond. Surely an applicant should not be at any greater disadvantage

than he would be if he were involved in a matter before a criminal court.

Next, Mr. Chairman, I suggest the restoration to the immigration officer in charge at a port of entry of jurisdiction to hear and determine applications under section 20 (2) of the regulations. In this regard, and I again mention this by way of constructive criticism, at the port of Vancouver, for example, we have long felt that this authority has been moved 3,000 miles to the west. When persons, particularly dependants of Canadians, now come to Vancouver they merely show a document when they get off the plane and they move in very quickly. It seems to me from reading the act that there is a duty upon the officer in charge to conduct an examination at that time. Under the present practice we have moved the port of entry, as I have suggested, many miles to the west with the result that all of these matters are handled overseas and the officer in charge has very little to do when the people arrive.

I know that problems will arise if this suggestion is followed. You may ask what we are going to do if people come over here and we have to turn them back. It may be that the solution to the problem would be to give them their medical examination overseas and then bring them in in lots of 10 by plane to Vancouver where the examination could be conducted. In the Vancouver area at least I suggest that this might be tried as an experiment. The applicant could meet the dependant, both could be put under oath and there could be a more formal hearing with the opportunity for an immediate appeal from any rejection. I say that there is great room for improvement and I think we can overcome many of the problems if we follow the suggestions I have made.

Lastly, I suggest that any person alleging Canadian citizenship should have the right, upon establishing a prima facie case, to be permitted to proceed to a port of entry, instead of being heard at a place abroad, for a hearing under section 20 of the act. Over the years there have been people who have said, "I am a Canadian" and the officer has said, "I do not think you are". Then the officer proceeds to hear the case at the overseas point. I suggest that we follow the United States system and that where a person says, "I am a Canadian"—in this day and age it is a very nice thing to be able to say—that person should be able to proceed to the port of entry. I am quite agreeable to obliging that person to remain in custody but certainly there would then be a hearing and also access to the courts afterward. I feel that is a much better system than the one we follow at present.

[Mr. Taylor.]

I also suggest that there should be an amendment to section 33 of the act which requires a deportation order to be executed as soon as practicable, to provide that the service of an application to a court attaching the order shall operate as a stay of proceedings. In the most recent celebrated case in Vancouver the deportation order has been confirmed by the court. Technically speaking, the immigration officer could immediately pick up that person and transport her out of the country. But I suggest that where a matter has been before the courts and there is a chance of appealing the department should not act further until the appeal period has expired or at least counsel should certainly be given a reasonable time in which to serve an order upon the department indicating an appeal will be taken.

There are one or two other suggestions I wish to make in connection with some of the British cases that have come to my attention. In the past we have known of cases where, for example, five members of a family out of six can meet our medical qualifications and it sometimes happens that the department will say that the five may come but the sixth must stay. I should like to say that perhaps we cannot always insist upon grade A immigrants, so to speak, but that we do the best we can to get the best immigrants in an area. If in a family there is one who cannot meet the medical qualifications, particularly if that person be under 21 years of age, then I feel we should allow the whole family to come to Canada and we should take our chances with respect to that family.

I hope, Mr. Chairman, that the minister will give early consideration to the many recommendations that have been made by the Canadian Bar Association with respect to immigration procedures. Certainly the members of that committee worked hard and long and those recommendations have been before the present administration for some three years. We hope that at an early date some of these suggestions can be incorporated into our immigration procedures. I should like to feel that at an early date, a house committee could be formed in order that we could deal with the many trouble spots in our immigration act, particularly with reference to our procedures.

I suggest to the minister also that where a Canadian employer files an application for a specific person to be his employee, that type of case should be expedited, especially where the minister is absolutely satisfied this is a bona fide application. If the application is delayed too long, let us say beyond six months, the circumstances in the place of employment might change and the

employee may no longer be needed. I would ask that some consideration be given to that type of case.

I have dealt at length with the matter of the quota system, and it is something by means of which I feel we could get many new and wonderful immigrants to Canada. For example, there may be a particular medical student in the Fiji islands who may not be admissible, there may be a medical student possessing wonderful qualifications on the island of Formosa who might be available or the president of the Hong Kong university might wish to come to Canada. When we have no quota system these people are not admissible, shall we say, as a matter of right.

In closing, may I suggest that at an early date we discontinue emphasizing that immigration is a matter of privilege and not of right. I suggest that we in Canada may need the immigrant more than the immigrant needs us. We should say to the people of Great Britain, for example, come and be a part of us; help us to build up this country. The main idea I am trying to convey here is, let us try to create a fair climate at home to encourage these people to come and make a home. I have a further suggestion and it is that we try to convey to tourists that they may proceed through customs and immigration very quickly when they come to Canada. We spend a great deal of money on advertising in the United States inviting people to come here, and we have had occasion to find that when they get to the border they run into major difficulties.

The Deputy Chairman: I am sorry, but I must advise the hon. member his time has expired.

Mr. Crestohl: I was pointing out some of the anomalies in the present act, and I quite innocently asked the question, who is this genius who is responsible for inserting these anomalies into the act? I was interested in the alacrity with which the minister jumped to her feet and pointed her finger at the genius, the former minister of immigration.

Mrs. Fairclough: That is the usual service.

Mr. Crestohl: I am glad she recognizes his ability because during the three years that she has been in office she has done nothing to correct these anomalies. I think perhaps she should accept some of the responsibility because she has acted upon these sections of the act. I was, of course, not surprised to note the frankness and honesty of the former minister, who rose without hesitation and said, "I was that genius".

Mr. Pickersgill: I do not believe I used the word "genius".

Mr. Crestohl: Then give me the pleasure of using it because I think very seriously about that. The former minister did state that on reflection today the reasons that necessitated these provisions were not sociological reasons, but were security reasons. I believe that in those years security certainly was a very good reason to adopt the strictest kind of legislation, even though it now appears silly as the former minister had no hesitation in stating. I, therefore, now draw these facts to the attention of the minister, and perhaps these anomalies should be corrected.

For example, under some of these sections if the grandparents of Canadian citizens live in some countries they are admissible to Canada but if they have the misfortune to have grandparents living in another country they would not be admissible to Canada. After all, grandparents and grandchildren are human beings and should be considered as such. I think it is an anomaly to say that because the grandparents live in one country they are admissible and if they live in another country they are not admissible. I should like to ask the minister to look at these anomalies. Then there is the question of children and in this respect I have a little difficulty in considering the act as sociologically humane, if I may use that extravagant language. Children under 21 who are unmarried are admissible to Canada from some countries, but if they are over 21 they are not admissible even though they may still be unmarried. If there is a year's difference in age that clashes with the regulations. Again I point out to the minister this certainly requires a second look. If prospective immigrants to Canada have an unmarried daughter of 20 they can bring her to Canada; she is admissible. However, if that daughter should be 22, even though she may be unmarried, she is not admissible and it may be difficult for the parents to leave that child where she is in order that they may come to Canada. I think that should be looked at.

May I point out another difficult situation which can develop in the case of the parents of Canadian citizens, if the Canadian citizens want to bring their parents to this country. If the father is 64 years of age and the mother is 62, the mother is admissible because she is over 60 but the father is not admissible because he is not yet over 65. The mother can come to Canada but the father cannot. Certainly during the years when security regulations required such provisions for the protection of Canada they may have been justified, but I do not believe the danger is quite as great today.

I therefore think the time has come to examine the act in order, amongst other

things, to correct these human touches which are really the most basic in human relations. These regulations seem to conflict with the minister's statement that it is the desire of our immigration law to bring families together, not to separate them. As they exist at present they are an ingenious means contrived to keep them apart. If we are going to blame that result on security, I respectfully submit that the danger is not quite so great now.

This brings me to the question of my wanting to make some observations on revising the act generally. Right from the commencement of this session we have been urging or trying to urge or nudge the minister into telling the house whether she plans to have the Immigration Act revised. At the beginning of the session, if I remember correctly—I have not the quotation in *Hansard* in front of me at the moment—the minister said that the matter of the revision of the act was receiving the attention of the department or the government, I do not remember which it was. Later on the minister made a statement in the house, as she also did outside of the house, to the effect that there will be no revision of the act at this session. We did not let the matter rest there. We pressed the matter further and on May 19 the hon. member for Trinity put this question and I am now reading from *Hansard* at pages 4029 and 4030:

> I wish to address a question to the Minister of Citizenship and Immigration. In the light of statements made outside this house as to the urgency of amending the Immigration Act, can the minister say whether amendments will be brought forward at this present session?

The minister replied as follows:

> I have answered that question three times already this session but I am still unable to give a definite answer.

This is a rather contradictory statement when the minister says, "I have already answered the question but I cannot give a definite statement".

Mrs. Fairclough: Read my next remark.

Mr. Crestohl: Yes; I will read the next remark. It was as follows:

> I should probably explain that that is my Dutch blood coming out.

What a very delightful remark that was, Mr. Chairman. It is very significant. It leads me to digress for a moment from what I want to say. This is a classical example of why the minister should take what I recommended earlier, namely a long range view. I did not know that the minister was of Dutch extraction. Certainly it just confirms that long range view, that we do not look at immigrants coming in and should not look at the first generation. But certainly I am satisfied that the minister, coming from a fine line of Dutch descent—

Mrs. Fairclough: That is only one of them; I have several others.

Mr. Crestohl: The minister has several other descents or several other lines. This fact more effectively confirms my statement. Earlier I referred to the fact when I mentioned there were a number of members in the House of Commons like the minister who certainly are not native born Canadians whose ancestry goes back 200 or 300 years. I think the only ones who fall into that category would probably be the Indians. I should like to put on the record, as a matter of interest, that the following members of the House of Commons—and I am subject to correction; I may be slightly in error—certainly are today considered to be among the finest citizens in the country. They are the hon. member for Vancouver Centre, the hon. member for Fort William, the hon. member for Humboldt-Melfort, the hon. member for High Park, the hon. member for Ontario, the hon. member for Marquette, the hon. member for Hamilton East, the hon. member for Mackenzie and the hon. member for Cartier. I could also name some in the other place. I respectfully say that these are all immigrants into this country. At best they may perhaps be first generation immigrants, although I doubt it. I believe those I have mentioned are not native born Canadians. Certainly no one will question or doubt that they are fine Canadians, of the finest rank and finest level. I repeat that certainly their children and their families will be Canadians almost as native, I think, as any Canadians could wish to be.

That is really taking a long range view. That is what I mean by admitting people into this country as long as they qualify. Certainly this country will have as much reason to be as proud of our immigrants who will come in to the country in the future as we have been proud of those who have come in in the past.

To come back to the subject with which I was dealing and to move away from the minister's ancestors about which I was pleased to learn, I want to talk about the question of revision. I have quoted the minister's answer about revising the act. I should now like to support this thought—and I hope the minister is giving it some serious consideration—by simply quoting from one or two newspaper editorials. First of all I should like to refer to an editorial in the Montreal *Star* on January 4, 1960, and I will just read a short part of it. It is entitled "Time for Overhaul". I am sure the minister and certainly the members of her staff must have

seen these editorials. However, I want them to go on record. I now quote from the one to which I have just referred:

> 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.

Of course this word "liberalization" is spelled with a small "l". If it were spelled with a capital "L", I would not have been surprised. In my opinion it would have been just as effective, if not more so. I continue reading from the editorial:

> Arbitrary behavior 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 exercise.

Then there is another editorial from the same paper at a later date, namely April 27, 1960. It is entitled "Immigration Rules Need Further Change", and it reads in part as follows:

> A year ago drastic changes were made in immigration regulations to permit appeal in all deportation cases. The circumstances of the Rebrin case now before a court in Vancouver suggests that the changes were not drastic enough, that it is still possible in this country to deny a person the rights which the Prime Minister is so eager to safeguard by his bill of rights.
>
> This is not intended to be a judgment on the case of Miss Rebrin. It is intended to be a judgment on the Immigration Act and its regulations which still vest too much discretion in the minister and not enough in the law.

Then there is a third quotation I should like to read. It is from the *Globe and Mail* of May 24, 1960, a quite recent date. It reads in part as follows:

> There is a certain attractive logic about the proposition, and if it just happened to be correct, reform of the Immigration Act would be an attractive piece of pre-election legislation. Lord knows, there are enough things wrong with the act now, with its involved procedures and arbitrary authority; the government can hardly be thinking of anything more restrictive. Therefore if it is to be made more liberal, it may have occurred to someone that this will be much too effective voter bait to waste when there is no national fishing expedition in the offing.

I wonder whether there is something to this article? Perhaps the minister does plan to revise the Immigration Act. It is obvious to the house that at one time, not so long ago, she was thinking of revising the act. She said she would, but changed her mind, perhaps because it might have been a little too soon to provide the effect that this article suggests. To me it would be a matter of great indifference when the minister revises the act as long as she does revise it. It needs revision urgently and certainly the minister would be given the credit for a substantial revision of the act.

Mr. Chairman, I think one section of the act, section 39, is violently explosive in many ways. I think the minister and her officials should sometimes feel a little embarrassed by some of the language used by our courts when referring especially to section 39, which section denies any recourse to the courts. I think the minister would do the word "justice" a great deal of good and perhaps enshrine it in the manner it should be enshrined if she would allow appeals to be taken to the courts. That was a bad piece of legislation regardless of who was responsible for it. I do not hesitate to criticize legislation if I think it is bad irrespective of who enacted it. If it is bad, it is bad, and I do not hesitate to say so. But I think the minister could make a lot of corrections and improve the act considerably.

I do not want to burden the record by quoting some of the opinions of our courts, but I would feel very much embarrassed if I were the minister by some of the things our judges have said. I think it is a travesty of justice to say to Canadians, or to anyone for that matter, "You can have no recourse to the court; I, or my officials, are infallible; we don't make mistakes; our word or the decision of an inquiry officer is to be as final as a decision of the Supreme Court of Canada; we have legislated to that effect and parliament has said we have the right to do it." I do not think parliament foresaw that, and if parliament did enact it I think a wise government will bring from time to time before parliament legislation which should be corrected. It would most certainly win commendation and praise from everybody if the minister remedied those defects.

I want to conclude by appealing to the minister and her officials, as I have in the past, to treat this legislation with humanity. It is true that the law of print is cold, but I know of no other department in the government which should lend itself to sympathetic and humane understanding as much as should the department of immigration. This act and acts of a similar kind with respect to naturalization, for example, give this country the reputation of being one of the finest countries in the world, and I urge the minister to see that nothing is done with immigration legislation which might mar that wonderful reputation.

Mr. Weichel: Mr. Chairman, I have heard many remarks concerning immigrants during the past year, and for that reason I wish to speak about the beneficial impact immigrants have had on the Canadian economy as expressed on different occasions by our Minister of Citizenship and Immigration who as a woman has a great understanding of our immigration policy. My remarks should

be of great interest to many people of Waterloo North as this part of Waterloo county is one of the greatest cosmopolitan centres in Canada. We in this district well understand the fine contribution these people have made over many years and will continue to make in the future progress of Canada. I understand that this year Canada will welcome the two millionth immigrant since the end of world war II and we are interested in knowing that one out of every eleven persons in this country is now a newcomer.

I believe that the economic contribution of immigrants has three main aspects; its effects on the labour force; the building of new industry and the remanning of our farms; and the contribution of immigrants as consumers. A highly significant fact about post-war immigration is that over three quarters of the immigrant workers are in the highly productive working ages of between 20 and 44. Consequently there is a much lower proportion of immigrants among older workers.

It must be recognized that Canada's future will depend to a large extent on expansion. This in turn will depend on the new developments, some in remote areas, which occur. Development depends on people, and from this it becomes evident that many newcomers from many nations will be welcomed to Canada for all of the foreseeable future.

Opportunities for newcomers usually arise in three ways. First, the development of new jobs in an expanding economy requires skills which cannot be fully met from the domestic labour pool. For example, from 1950 to 1958, while our universities graduated 1,037 architects we admitted 1,493 more, and considering that Canada lost 330 due to emigration these professional people were of vital importance to our national growth, as were also the engineers, draftsmen, designers, teachers, accountants, scientists and others who have added so much to our professional manpower.

Mr. Chairman, I am sure that you are familiar with the shortage of teachers since the war. It is gratifying to know that in order to overcome this we were fortunate in having 6,105 teachers and professors come to Canada in the five-year period ending December 1958.

Positions also become vacant for immigrants, as native born workers are attracted to other countries. Perhaps many of us do not know that Canada lost more than 10,000 nurses to the United States from 1950 to 1958 and while we have actively sought replacements overseas, our hospitals are still desperately short.

[Mr. Weichel.]

We are hopeful that some day the tide may swing in our favour, that the time will come when Canada will attract more young Americans. In January of this year there was an encouraging sign. At last some of our universities are able to pay higher salaries and to induce not only Canadian teachers to return, but also to attract United States professors. Last year, for example, we admitted 10,350 United States citizens compared to 9,695 in 1958.

In the last two years I have had the privilege of sending almost 1,000 letters to new Canadians in my riding. These people along with others have made a great contribution to the economy of our country. They have become fine citizens and in most cases have lived up to the laws of our country. Hard work, co-operation and harmony have been the keynote of their success. Hard work overcomes financial difficulties. Co-operation enables us to work together as a team. Harmony has been a word of hope for them.

As I said before, our new Canadians have in the past and can in the future contribute much to the welfare of our great country. May I present to hon. members a few examples of the efforts of new Canadians on Canadian soil.

Mr. Leon Koerner, a Czech lumberman deprived of his holdings by Hitler, used his talents to build one of the largest companies of its kind in Canada, providing employment for 4,500 workers. Mr. Koerner soon saw that the abundant hemlock was little used by Canadians and created a brand new product, Alaska pine. By 1956 his company had many holdings. This gentleman also set up the Koerner Foundation for the promotion of art, culture and welfare. Who can measure the importance of this single immigrant to our economy?

In Vancouver three Austrian immigrants founded Canadian Forest Products Limited and built it into one of the giants of the west coast lumber industry with several divisions employing well over 1,000 people.

Thomas Bata, the Czech shoemaker, created not only an industry in Canada but also founded a new town around his plant.

For 12 years the Bick family from Holland were ordinary muck farmers near Toronto before seizing an opportunity to grow and market fresh pickles. The Bick Pickle Company during its peak last year employed 140 workers and produced a million cases of 33 different varieties.

These are but a few of the newcomers who have given much to Canada. But there are hundreds of smaller operations woven into the texture of our economy. Last year the settlement division of the Department of Citizenship and Immigration reported that it had

helped 1,750 immigrants to buy 1,612 small businesses. These provided a livelihood for 6,518 persons. This was a record year for the number of immigrants established. Some of these small businesses turn into highly profitable concerns which become important elements of the Canadian economy.

Farm settlements in 1959 were equally encouraging and showed a 16.7 per cent increase over the previous year. Last year immigrants reported they had bought 876 farms and rented 145 more, compared with 786 farms bought and 73 rented in 1958. Half of these gave employment to others beside the operator.

Mixed farming, involving the raising of cattle in combination with the production of hogs and poultry and the growing of some cash crops, is chosen by half the immigrant farmers. Dairying is the next most popular type of farming.

Undoubtedly this thriftiness stems from the knowledge that a loss has been sustained in the sale of one's home and belongings and the move to another country. The newcomer very naturally wants to recover these material losses as quickly as possible. Also he wants to feel that he belongs to Canada.

Waterloo county, as have other counties, has been blessed with thrifty people of all nationalities enjoying freedom of religion, freedom of speech, et cetera. We cannot measure these talents, but we know that we are richer for possessing them and that they help Canada grow toward maturity. Let us give our sincere encouragement to all newcomers. They need a word of welcome which so many people of our Waterloo North have extended to them. A helping hand as we go along life's pathway together could be the difference between success or failure for them. The future lies before us, beckoning and challenging us to grasp the opportunities to build a great nation. Together, old and new Canadians, let us rise to the challenge of the soaring sixties.

Mr. Howard: Mr. Chairman, I regret that the hon. member for Parkdale is not in his seat. I understood the hon. gentleman to interpret the statement of the hon. member for Vancouver East as representing an attitude of restriction in immigration policy in the sense of keeping the immigration flow to a minimum. On this basis one can assume that the attitude of the hon. member for Parkdale favours wide open, uncontrolled immigration. The hon. gentleman was unkind in placing that interpretation upon the remarks of the hon. member for Vancouver East and I assume they both said the same thing using different words.

The C.C.F. attitude toward immigration has been expressed on many occasions as being that the influx of immigrants to Canada should be geared to economic and employment opportunities in the country and that when we have a period of high level of unemployment it is unfair both to our economy and to the immigrant to hold out promises of opportunities in a land of milk and honey. Perhaps that is what the hon. member for Parkdale was really saying.

The hon. gentleman then went on to say that the philosophies of the C.C.F. and the Canadian Labour Congress in respect to immigration are similar. As far as I am concerned, I have not the foggiest idea of the attitude of the Canadian Labour Congress toward immigration; it may coincide with the view we have expressed, or it may not. I have spoken to other members of the C.C.F. group about this question and they are in the same position. Perhaps this situation will apply in a number of other fields. The Canadian Labour Congress develops its own policies, even though we are now discussing enlarging the basis of the political party to which I belong. This does not mean, however, that the pronouncements of one section of the economy will coincide with those of another. But I fear that if I pursue this line I shall be ruled out of order, so perhaps I had better cease and desist.

The hon. lady may recall that a couple of days ago I asked a question with regard to a return, and I should like to refer to it because it relates to the subject before us. On Wednesday, February 3 a question of mine was made an order for return. Now, some months later, I find that the return is still not ready. I do not know whether this was a question whose answer the Acting Secretary of State indicated would be ready in a week or not, but perhaps I should refer briefly to the question itself and point out that it deals with orders for the deportation of persons from Canada since January 1, 1958 and makes inquiries as to the names and addresses of those concerned, whether there are any dependents, what was the reason for signing these orders, the number of executions, and so on. Perhaps it may not be desirable that some of these questions should be answered here by giving names. I believe the minister indicated something like that when she spoke at the time the question was transferred as an order for return.

Be that as it may, the material in which I was chiefly interested concerned the number of orders for deportation which had been made, whether any had been cancelled, the reasons for cancellation and so forth. It

has appeared, in the view of some people and, certainly, in the view of some of those persons who have been ordered to be deported, that some discrimination may have taken place in connection with these orders. I hope the return will be tabled at an early date. I do not know whether these estimates will be passed today or not but, if not, I hope the information will be available before we enter again upon a discussion of these estimates so that the committee will be in a better position to consider the reasons for these orders for deportation.

With regard to one such order in particular there has been a great deal of publicity and discussion both in the newspapers and in the house—the case of Mr. Weldon Chan to which reference was made by the hon. member for Vancouver Centre. There has been some public concern about whether the slight technicality which existed with regard to this person's entry into Canada might not fall in a class which could be overlooked. We may discover whether the minister can undertake to overlook things of this nature, when the order for return to which I have referred is made.

In any event, I received a letter from a lady in the area around Smithers in which reference is made to Mr. Chan and his family. I do not intend to read the letter in full, but I will give the committee the gist of it. It is dated February 3, 1960, and the writer says she has been in touch with the minister and would have liked Mr. Chan to have been given permission to stay in Canada. She would like to have had him come to that part of the country. This lady has a farm, or ranch, of some 400 acres and she indicated in her letter that she would like Chan and his family to work on the farm on a 50-50 basis.

The Deputy Chairman: I hear the knock of the Gentleman Usher of the Black Rod.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House, Ottawa
June 9, 1960

Sir,

I have the honour to inform you that His Excellency the Governor General will proceed to the Senate chamber on Thursday, the 9th June, at 5.00 p.m. for the purpose of giving the royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

E. Joly de Lotbiniere
Assistant Secretary to the
Governor General

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

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

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

And being returned:

Mr. Speaker informed the house that the Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act respecting a certain Trade Agreement between Canada and Australia.

An act to amend the Windsor Harbour Commissioners Act.

An act to incorporate the Oshawa Harbour Commissioners.

An act to incorporate the Nanaimo Harbour Commissioners.

An act to amend the Trans-Canada Highway Act.

An act to amend the Canada-Netherlands Income Tax Agreement Act, 1957.

An act to amend the Yukon Act.

An act to amend the Northwest Territories Act.

An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

50. Administration of the Immigration Act, $1,219,129.

Mr. Howard: Mr. Chairman, just prior to the arrival of the Gentleman Usher of the Black Rod I had started to relate to the committee some information with regard to Weldon Chan and some correspondence that had been entered into with respect to him and his family. I was referring to Mrs. Harvey, who had written to me as well as to the minister, and who has undertaken to have Mr. and Mrs. Chan and family work on her 400-acre farm on a 50-50 basis. I said I thought that was helpful and generous of Mrs. Harvey. As a consequence thereof I wrote to the minister indicating the gist of the letter I had received from Mrs. Harvey who, incidentally, also wrote to the Prime Minister on this same subject, and the minister replied at that time. Perhaps I might refer to her letter of February 16, which is as follows:

This refers to your letter of February 11 concerning the Weldon Chan family.

Mrs. Harvey's letter to the Prime Minister was referred to me for attention and I might say that she also wrote to me direct in the case.

As you no doubt are aware, Mr. Chan has taken legal proceedings and the matter is now before the courts. You will appreciate, therefore, I am unable to make any comments at this time.

Mrs. Harvey was advised in the matter on February 16.

I understand that since that time whatever legal proceedings had been entered into have been completed, and Mr. Chan is not now involved in any legal proceedings. I may be incorrect in this understanding, but if I am correct the subject matter is not now classified as sub judice. I would, therefore, appreciate, either at this time or some later date if the minister would like to review the matters that are on file, some comments with respect to the subject matter of Mrs. Harvey's letter. Perhaps the minister could advise Mrs. Harvey and myself, as well as the members of the committee, just what her attitude is now that the legal proceedings are out of the way. I rather think the minister would be continuing a gross injustice to Mr. Chan and his family if the original position of the minister with respect to deportation still exists and is allowed to continue to exist.

I think it would appear even more awkward in comparing this instance involving one person of Chinese extraction with—I do not know how many; I have heard mentioned 13,000, 11,000, 2,000 but however many there are makes little difference—other people of Chinese extraction who have entered the country through what might be termed illegal means or illegal methods. If the minister, as she indicated, is going to provide the services of the immigration branch to those of Chinese extraction who have entered the country through forged documents, bribery, conspiracy or whatever other means were used to get here, then I think certainly she should do so in the case of one additional person of Chinese extraction, namely Mr. Chan, who used some subterfuge to get here. Certainly I do not think he engaged in bribery nor do I think he entered Canada through any racket, blackmail or bribery scheme. I think the minister should review her decision or the decision of the department with respect to Mr. Chan and should take whatever steps are necessary to legalize or regularize his entry to Canada so that he will no longer continue to feel as a hounded and searched-for individual.

With respect to the number of Chinese people or people of Chinese extraction who have entered Canada and with respect to whom the Royal Canadian Mounted Police are now conducting an investigation, I should now like to make some comments. From what I can gather it would appear that most of these entries or practically all of them originated in Hong Kong and that the department has a staff of immigration officials in Hong Kong and undoubtedly employs, perhaps on a part-time basis, bilingual investigators to investigate and to study the various applications which are made by people for entry to Canada from Hong Kong.

If, as is apparently the situation, there are a number of people of Chinese extraction who have entered Canada through this illegal method or this racket that has existed, then this fact would appear to cast some doubt upon the efficiency of the immigration officials in Hong Kong, whether they be officials of the department in the class of civil servants or whether they be people employed on a part-time basis to assist in the investigation. It is certain that the immigration department was involved to some extent in investigating these various applications, in checking the facts set out in the applications, checking the various documents and so on. This would seem to cast a great deal of doubt upon the entire structure of the immigration department which exists in Hong Kong, if that is where the bulk of these people came from. It would appear that it would not only cast some doubt upon the activities and efficiency of that branch in Hong Kong with respect to those who have entered Canada illegally but it might well cast doubt upon the opinions and decisions of that branch with respect to those applications which have been turned down.

There is one instance which I have had occasion to deal with, namely a gentleman in Prince Rupert who has two sons who were living in Hong Kong. At the time of his application to bring one of the sons over here, that son, as claimed by the father, was under the age of 21 and was single; and normally he could be expected to qualify. However, another son was over the age of 21 and was married and, as I understand it, would therefore not fall within the class of people who were eligible to enter Canada. However, regardless of the very definite statement which the father made to me and to officials of the immigration department that the son who applied to come over here was in fact the son who was under 21 years of age and single, the attitude of the immigration authorities is that the sons were mixed up and that it was another married son who applied in the name of the son who was under 21 and single. This information, as I have had it related to me, was adduced on evidence after investigation by authorities in the immigration department in Hong Kong. As I say, if in the case of I do not know how large a number of persons—many hundreds or thousands—the immigration officials were fooled or duped or maybe participated in this scheme of having people come to Canada—

Mrs. Fairclough: I really feel that I must rise and protest. I do not think the hon.

member should impute any such action to the officials of my department. I take strong exception to those words.

Mr. Peters: It is worse than that.

Mr. Howard: Then I should relate what was told to me by Chinese people in Prince Rupert and Chinese people that I know in Vancouver also because I lived a number of years in Vancouver and know a great number of Chinese people there. They mentioned this some time ago to me, two or three years ago. This individual in Prince Rupert particularly said to me that he could undoubtedly get his son over here for $3,000 or thereabouts but he did not want to engage in this sort of corrupt system and bribery, that he would sooner operate through the normal channels and completely out in the open. He said he could have done this. Others in the Chinese community that I know also mentioned that people working with the immigration department were involved in this sort of scheme in Hong Kong.

Mrs. Fairclough: Mr. Chairman, this is exactly the point I am making. The main reason we started the investigation was that we had heard these rumours. If the hon. member has any information specifically naming any individual in any instance I can assure him the whole matter will be carefully investigated and if substantiated, charges will be laid. But so far I have been unable to find anything casting any vestige of doubt on the integrity of my staff.

Mr. Peters: The whole thing is rotten; the whole staff is rotten.

Mrs. Fairclough: The hon. member is making allegations without any basis at all. Put up or shut up.

Mr. Howard: This is the usual thing that happens when the hon. lady gets upset, we have some uncontrollable reference to allegations.

Mrs. Fairclough: The only thing that is uncontrolled is the allegations the hon. member is making.

Mr. Howard: The hon. lady insisted that I develop this line of thought, something which I did not want to do. What I was talking about was a system of blackmail or bribery or racketeering that existed in Hong Kong, which the hon. lady mentioned a number of times and which is now being investigated. All I did was to make reference to it, as to how this might be possible and then she insisted on my developing that matter further. Then when I wanted to develop it further and explain to her the things which had been told to me, things which she now admits were told to her and which are the basis of this investigation, she accuses me of slandering these people. I am not slandering anybody. I am telling you, Mr. Chairman, at the minister's insistence exactly some things that apparently have been told to her, namely these rumours that are going around.

Mrs. Fairclough: I referred to rumours but the hon. member is making allegations.

Mr. Howard: I submit again that the minister insisted, that she objected to some slight allusion I made to this question of bribery and then wanted me to develop it further, as I did. Then she objected to my developing it further. She cannot have it both ways.

If as a result of these investigations which are taking place she discovers that these rumours are incorrect, then that is fine and dandy. If she is unable to discover where the problem exists, then we will not know any more than we do now. If we can find that these rumours are correct and that charges have been made, we might as well clear up the problem. All I have done is to carry this thing through as the minister insisted. I did not want to get involved in this in the first place except in an incidental way. Accusations have been made in a general way. The figure of up to 13,000 has been used to indicate the number of people of Chinese extraction who have come to Canada illegally. Reference was made in the newspapers to a $44 million black market industry, as was mentioned by the hon. member for Bonavista-Twillingate today. At no time has there been any thought expressed as to whether this is correct or incorrect. Apparently it is being investigated, and that was the only thing I had reference to.

However, I do not think the minister can get away from this point, that if there are any illegal entries from China who are here as the result of the black market ring which exists, if they are able to get by the immigration officials with forged documents and papers or incorrect evidence, and so on, then one is entitled to cast some doubt on the efficiency of these people to deal with the question. We are entitled to question that efficiency also when it comes to rejecting applications for admission. I only raised that point as it concerned one individual with whom I had intimate dealings so far as his attempting to get his son over here was concerned, which incidentally was some years ago.

The hon. member for Cartier and also the hon. member for Vancouver-Burrard made reference to section 39 of the act, and I would like to know who it is who has the final decision and discretion on these questions

of deportation, questions of admission and so on. Section 39 of the act was also cited in the reasons for judgment of Mr. Justice Norris in the matter of Miss Irene Rebrin. I forget the date, but it was recent anyhow. Section 39 of the act says:

> No court and no judge or officer thereof has jurisdiction to review, quash, reverse, restrain or otherwise interfere with any proceeding, decision or order of the minister, deputy minister, director, immigration appeal board, special inquiry officer or immigration officer had, made or given under the authority and in accordance with the provisions of this act relating to the detention or deportation of any person, upon any ground whatsoever, unless such person is a Canadian citizen or has Canadian domicile.

If, as I read this section, final and complete authority is given to the minister to decide these cases, then I think this is far too much authority and power for the minister to have. That includes not only this minister but any minister, even the genius from Bonavista-Twillingate, and I am glad the hon. member for Cartier used that word in a sort of facetious way. If this is what this particular section means and it prevents any court from reviewing any particular case, then I think far too much authority is given, one, to the minister and, two, it is far too much for her or any other minister to ask for. Proceedings under this section would allow the minister and the government of which she is a member to be subjected to charges of discrimination, because if a person who is ordered to be deported is not given the reasons why he is being deported and he hears of another instance of a person who falls into somewhat the same category who should have been deported but was not, then he would ask himself why he was being deported and the other person allowed to stay.

This is the effect of this particular section of the act, that it places the minister in a very awkward and embarrassing position and subject to charges of discrimination and favouritism to one person over another. Mr. Justice Norris also made some comments about that. He said:

> The provisions of this section constitute an attempt to bar recourse to the courts to all persons, other than Canadian citizens or persons having a Canadian domicile, who may consider themselves aggrieved by some decision of an immigration official, which attempt has been abortive only in part because of the determination of learned judges throughout Canada to ensure through the application of the prerogative writs of habeas corpus, certiorari and mandamus that the liberty of the stranger within our gates will be preserved.

So apparently the courts have undertaken, by the three legal processes that Mr. Justice Norris mentioned here, to bring forward for review occasionally the cases of people who have grievances against decisions of the minister or of the department. I think it was by way of habeas corpus or certiorari that the Irene Rebrin case got into the hands of the courts.

It would appear to me that one of the immediate things the minister should have done was to remove that particular section which prevents, except under certain circumstances and through certain legal processes, individuals who feel aggrieved by decisions of the immigration officer or the minister, or somebody else in her department, from taking this question to the courts, appealing to the courts of the land, and asking them to decide whether or not there was justification for issuing the order being appealed. While the minister may be waiting for approval—

The Chairman: I am sorry to interrupt the hon. member but his time has expired.

Mrs. Fairclough: May I suggest, Mr. Chairman, as we have only a little time to go until six o'clock, that possibly the hon. member could continue. It might save time in the long run because we are in committee and he can come back again.

The Chairman: Does the committee consent to the hon. member continuing?

Mr. Howard: If I might comment on that, Mr. Chairman, another hon. member was in somewhat the same position this afternoon and I would not want to take advantage at this stage of the generous offer of the minister.

(Translation):

Mr. Deschatelets: Mr. Chairman, I would like to comment on a demagogic election advertisement in *L'Action Catholique* of June 6, 1960, headed:

> A question calling for an answer.

And I quote:

> Why did you bring 1,533,000 immigrants into Canada in the space of 10 years?

And in the next paragraph:

> When Mr. Lesage had a say in the administration of this country, "he left the door wide open to excessive immigration whose unfortunate effects are now being felt—

The Chairman: Order. I doubt very much that the matter which the hon. member is bringing up comes under the jurisdiction of this parliament and is in any way relevant to the citizenship and immigration estimates.

I realize he wants to comment on a political advertisement concerning the election campaign now under way in the province of

Quebec, but I really cannot see how reference to this subject has anything to do with the citizenship and immigration estimates.

(Text):

Mr. Pickersgill: Mr. Chairman, on the point you have raised it seems to me there is no difference between an announcement made by someone in an election and anything published by anyone else about immigration in this country. Immigration is under the jurisdiction of this parliament and the present minister. If untrue or exaggerated statements are made about immigration and if there are statements that any hon. member wishes to refer to in this connection, surely we are in a free country and a free parliament and the hon. member should have a perfect right to discuss them notwithstanding the fact that there are sensitive people in some of the provinces where there are elections.

The Chairman: The hon. member may be right in certain respects but up to the point when I interrupted the hon. gentleman he was not relating his comments to the item under discussion. It seemed to me that he intended only to discuss the position of some provincial leaders on this question. I do not think this is pertinent because we are discussing the federal policy with regard to immigration.

(Translation):

Mr. Deschatelets: Mr. Chairman, if I may, I was reading a two or a three-line paragraph on the federal government's immigration policy, which has had a certain impact, particularly in the province of Quebec, as well as in every other province.

I just want to quote two or three lines, and then to comment on this advertisement. So I think every one of my remarks will have a bearing on the item under consideration.

I quote those two or three lines:

—he left the door wide open to excessive immigration, whose unfortunate effects are now being felt not only in the province of Quebec, but in the nine other provinces of Canada.

At the outset of my remarks, I used the word "demagogic" quite rightly, because in the Larousse dictionary, I find the word "demagogue" defined as follows:

One who pretends to promote the interests of the people in order to win its favour.

Now I must point out that those who run such advertisements are very careful not to run them in Canada's Englich language newspapers, and that this type of advertisement—Colombo plan style—usually appear just before an election.

Now I want to establish something I think is quite in line with the general item now before us, namely that what I indicated a moment ago is, first at variance with the facts, and second, at variance with the immigration policy of the Conservatives who, in 1955, 1956 and 1957, accused the Liberal government of being too restrictive in its immigration policy. Finally, I will show that this advertisement is counter to the social doctrine of the church. As to the first point, when I say that the advertisement does not agree with the facts, I must say that of all immigrants admitted to Canada in 1957, for instance, only 19 per cent settled in the province of Quebec.

As a proof I need only quote the figures supplied in answer to question No. 415, asked by the hon. member for Burin-Burgeo (Mr. Carter), and these are the figures given by the Minister of Citizenship and Immigration in this respect: In 1957, of a total of 282,164 immigrants, 55,073, i.e. 19 per cent, settled in the province of Quebec, whereas 147,097, or 51 per cent settled in Ontario, and 79,994, i.e. 30 per cent in the other provinces.

I have therefore established, according to the official figures supplied by the department of immigration, that the percentage of immigrants to Canada who settled in the province of Quebec is 19 per cent. Therefore, we can say that this figure, 19 per cent, has had nothing to do with the present unemployment situation either in Canada or in the province of Quebec; and the best proof of it is the fact that in the province of Ontario, where the great majority of immigrants have settled, unemployment is much lower than in the province of Quebec, where as I say, 19 per cent only of the immigrants have settled.

May I call it six o'clock?

(Text):

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

(Translation):

Mr. Deschatelets: Mr. Chairman, when we adjourned at six o'clock, I was saying that only 19 per cent of the immigrants to Canada settled in the province of Quebec and that more of them settled in Toronto alone than in all the province of Quebec. It is, therefore, inaccurate to contend that the present unemployment situation in Quebec in some way or other can be blamed on those 19 per cent, since after absorbing the vast majority of all immigrants, the province of Ontario has much less unemployment than Quebec.

The premises of the advertisement which I read at the opening of my remarks—

Mr. Johnson: Are you dealing with unemployment or immigration?

Mr. Deschatelets: If my hon. friend has anything to say on this subject, he is going to have an opportunity to do so, for at the end of my remarks I intend to put three questions to him and ask him to answer them.

So the premises to that demagogic advertisement are absolutely false. Furthermore, it is a well established fact today that the immigrants who were brought in during the years of prosperity we enjoyed—I mean more particularly the years up to 1957—created more jobs. May I refer to an article in the Montreal *Star* of May 15, 1958, entitled:

(Text):

Immigrants to Canada create more jobs than they take, according to W. A. McFaul, district superintendent of the Department of Citizenship and Immigration.

"Contrary to popular misconception," said Mr. McFaul, in an address last night... "for every 10 immigrants who entered the labour force during the post-war period, 18 others were wives, children or dependents of those workers whose consumption contributed significantly to the stimulation of production and thus created employment."

(Translation):

In this regard, Mr. Chairman, I should like to quote from an article that appeared in *Le Droit* for February 25, 1960, under the following heading:

False patriotism harmful to Quebec.

"A false patriotism and the pointless fear that characterizes the French Canadian reaction to immigrants are the only possible explanations for the fact that over eight years, namely from 1950 to 1958, immigrants started 805 new businesses or industries in Ontario, as against 153 in Quebec over the same period".

Mr. Chairman, can immigrants be blamed for keeping out of Quebec, when it is known that the government of that province washes its hands of such matters as employment and unemployment?

However, contrary to the claims of this election advertisement, and despite the years of prosperity we had under the Liberal administration up to 1957, our immigration policy remained selective, we kept to the middle of the road, while the then Conservative opposition, which was friendly to the present Quebec government, was calling for mass immigration. To prove my point. let me quote from page 1161 of *Hansard* a statement made by none other than the present Minister of Justice (Mr. Fulton):

(Text):

So, as I say, the proposition that Canada needs more people is undisputed and is supported by statements made by government spokesmen, chamber of commerce spokesmen and by labour leaders themselves. The fact that we need people and that other countries have a surplus raises a serious question: Can Canada morally or physically pursue an unduly restrictive policy with respect to immigration?

(Translation):

As I just stated, Mr. Chairman, in the eyes of the Conservative opposition of the day, we followed a policy of selective immigration during the years of prosperity, whereas our friends opposite called for mass immigration. In other words we were blamed for not admitting enough immigrants into Canada. In this regard I shall quote a few items, like this excerpt from *La Presse* of February 16, 1955, entitled:

The Conservatives want to step up immigration.

Mr. Davie Fulton introduced a non-confidence motion and advocated more active recruiting in Great Britain. The "Conservative" opposition vigorously criticized the government's immigration policy yesterday in the Commons.

It was Mr. Davie Fulton, Conservative for Kamloops, who opened fire, accusing the government of having planned for only a small Canada, because it was slowing down immigration.

The number of immigrants fell from 194,000 in 1951 to a little more than 150,000 last year, and it will probably not be greater in 1955. "This government's trend is to gradually decrease the number of people from abroad entering Canada", said Mr. Fulton.

I have here another article from *L'Action Catholique* of April 2, 1957, entitled:

We must increase our population or perish, states Mr. J. Diefenbaker.

"We have to increase our population or perish," said the Conservative leader at a press conference which took place at the Canadian ethnic press club, a group representing 28 foreign-language papers in Canada.

I also want to quote another article published in *Le Droit* of February 16, 1955, under the heading:

Fulton blasts the federal government for neglecting British immigration.

"We are blaming this government under-estimating British immigration and unduly encouraging any other immigration, at the expense of immigration from the British isles", stated the member for Kamloops, Mr. Davie Fulton, yesterday in the House of Commons.

Mr. Chairman, I want to put it clearly that such statement erroneously condemning the former administration's immigration policy, is directly opposed to the social doctrine of the church. Now I shall quote the following excerpts:

Immigration and rural settlement—two most urgent problems.

This was printed in *Le Droit* for September 23, 1954.

Vatican City—The twofold and far-reaching issue of rural settlement and immigration is one of great urgency in Canada and of particular significance for the church, as can be gathered from the message sent by His Holiness Pope Pius XII on the occasion of the 31st session of the Social Weeks of Canada (French section) which are opening tonight at Mont Laurier and will deal with that twofold theme.

The Catholics' contribution to the solution of the complex issues raised by the influx of new people could and should be of first importance. The welcome given the newcomer, his psychological adaptation to his new environment, his economic, cultural, moral and religious difficulties: those are the many fields in which we are entitled to expect the sons of the church to compete in open and considerate ingenuity and charity.

I have here another article on the same matter, taken from *Le Devoir* of Friday, September 24, 1954, entitled:

Fear of the immigrant: an inferiority complex. Cardinal Leger refutes objections to immigration.

His Eminence Cardinal P. E. Leger who, last evening, was honorary chairman at the opening session of the Social Week, in Mont Laurier, refuted objections currently raised against immigration by putting it on a par with genuine social evils, like unemployment, inflation, housing shortage, rural exodus, and the small number of property owners in urban areas.

"The real Christian", concluded the Cardinal, "should see in the immigrant not a foreigner or a rival, but a brother. The real citizen should see in him a man having an equal right to the privileges which the country affords to all those who are working towards its greatness ... The unity of our country and the greatness of our church demand from each of us, at this time, a great power of assimilation. Triumph of charity alone can ensure the peaceful victory of a people whose various elements must blend into a unity respecting both the individual and freedom".

Mr. Chairman, that advertisement was putting a question. I replied to it. To whoever is responsible for that demagogic advertisement, I should like, in turn, to ask a few questions, and I invite the hon. member for Chambly-Rouville (Mr. Johnson) to answer them at the end of my remarks.

I should like to know what the Quebec government authorities think of that invitation published in the Belfast *Telegraph* of December 6, 1959, which is entitled:

(Text):

Share in Canada's great future. Reduced emigrant rates.

(Translation):

—which lists immediate job opportunities in Canada in about 75 trades, including jobs for bricklayers, butchers, carpenters, toolmakers, etc. I should like to know what the Quebec government authorities, who are friendly with the present federal government, think of that ridiculous invitation to invite and admit, in Canada, immigrants whose livelihood depends upon their having jobs, while in the trades listed in that invitation, hundreds of thousands of Canadians are unemployed?

In that connection, Mr. Chairman, on May 25, 1960, the hon. member for Gloucester (Mr. Robichaud) asked the following question:

(Text):

May I direct a question to the Prime Minister. In view of the high total of 787,000 unplaced applicants according to the figures released today by the dominion bureau of statistics, would the Prime Minister express his views today on the statement he made in London to the effect that our labour force will welcome at this time tens of thousands of immigrants?

The answer of the Prime Minister, as found at page 4222 of *Hansard,* was as follows:

Mr. Speaker, I have nothing to add to what has already been said in that connection.

(Translation):

Mr. Chairman, such a statement is a far cry from the demagogic advertisement I read at the beginning of my speech. Moreover, the surprising fact is that those two wrong interpretations come from the same family.

In any event, the third question is as follows: if, in the circumstances, the premier of Quebec sincerely feels that such an immigration policy, either under our administration or under the present administration, is harmful to the interest of the province of Quebec, why has he never mentioned the fact? Why did he never take up the matter with the present government over the past four or five months? And why has he waited till just before the elections to raise the matter?

Moreover, if he was aware of the seriousness of this problem, why did the present Quebec premier, when he went to the Ontario legislature fail to express his views on this important national question?

I now ask our Conservative friends, especially the hon. member for Chambly-Rouville, to reply to these three questions: What do they think of the statement made by the Prime Minister before he left London, to the effect that this year, during this unemployment period, we could assimilate tens of thousands of immigrants? What do our Quebec friends, and especially our friend from Chambly-Rouville, think of the invitation published in December in the Belfast *Telegraph* asking tradesmen to come over here, when we had 700,000 unemployed and were unable to provide jobs for our Canadians? Moreover, what do they think of the stand taken

by Quebec provincial authorities regarding that insidious electoral advertisement published a few days ago which is contrary to the policy advocated for many years by their own party and their own leader?

Mr. Chairman, our immigration policy under the Liberal government, even during years of prosperity, was constantly being reviewed in the light of our requirements, of our assimilation capacity and of the economic situation changing from year to year. But, times have changed, and I suggest that in all fairness to the immigrants themselves, it is utterly ridiculous to allow into Canada immigrants who have to earn a living, when our tradesmen are now unemployed.

We must always consider this immigration question with great humanity and generosity, but also with a lot of good sense, according to present needs.

I had not meant to take part in the discussion on these estimates, but after seeing this demagogic election advertisement published in Quebec French language newspapers, but not in English language papers, I felt bound to answer those insidious claims; I owed it to the intelligence of Canadian and Quebec voters, and also to the truth.

(Text):

Mr. Peters: Mr. Chairman, I have been very interested in this department for some time not because I know anybody who wants to come to Canada but because I have a number of Chinese people in my riding in whose problems I am very interested. I came to Ottawa three years ago expecting that eventually the government was going to do something, and particularly a new government which was pledged to equality, to eliminate discrimination and a number of other things. I expected they were going to do something, particularly in connection with the immigration department. I can tell you tonight, Mr. Chairman, that this government is not doing anything about that and is not capable of doing anything about it. In my opinion, they have not the intelligence even to know what is going on in that department. I am pleased to see these representatives from the department here tonight on their own time, and I think some of them ought to be here because I think some of them are connected with this problem that has developed in China, particularly in Hong Kong, and in my opinion some of them must have had some knowledge of this situation or it would not have gone on as it has.

I have seen letters written by the minister, by the Prime Minister and by other officials connected with the department, to Chinese people over the last three years telling them that there is going to be a revision that will be advantageous to them. The government is going to eliminate the discrimination that prevents them from bringing their relatives into this country. This is the type of information that has come to our attention over the last few years. This is a letter addressed to the minister and it is signed by Ruth Lok, chairman of the committee on immigration, C.C.A. In this letter she points out:

> We understand that the Canadian Immigration Act is undergoing revision, and that views and criticisms concerning various sections can still be made with submissions as to how the act can become more equitable and democratic.

This is the type of letter I have seen go out to these Chinese people promising them that if they will be patient the act will be revised and some of the inequalities now affecting them will be changed to their advantage.

Mrs. Fairclough: I am afraid I did not hear the name of the person who wrote this letter. I do not believe it came from my department.

Mr. Peters: This was sent to the Minister of Citizenship and Immigration, parliament buildings: In the matter of certain revisions affecting the immigration to Canada of persons of Asian ancestry; submitted by the Chinese Canadian association and the national Japanese Canadian citizens association, 415 Spadina avenue, Toronto.

Mrs. Fairclough: The hon. member says that I made these promises. Where is the document in which I made any promises?

Mr. Peters: I said I have seen letters written to the Chinese people, which they have shown me, and which are similar to this.

An hon. Member: Produce them.

Mr. Peters: I am not in any position to produce somebody else's mail. I have been shown these letters, and I have read them.

An hon. Member: You never saw them.

Mr. Peters: You may never have seen them. You have not seen very much, anyway. You probably don't talk to any Chinese people. You are probably as backward and ignorant as these immigration people.

Mrs. Fairclough: On a point of order, Mr. Chairman; it seems to me that before the hon. member goes any further along this line I want to say right now that I have not

written any letters to any members of the Chinese community telling them I would make revisions in their favour.

Mr. Peters: I cannot contradict that. I will try to produce the letters. I think I can.

An hon. Member: Yes you do that.

Mr. Peters: I will certainly get photostatic copies of them. They will not be exactly as the minister says because I did not say that. I said that they were going to be to their advantage, and they would probably solve their particular problem. I never suggested, and I am not suggesting now, that the minister herself promised these people relief in specific cases.

An hon. Member: You just said it.

Mrs. Fairclough: That is what you said.

Mr. Peters: Not in specific cases, but in a general way. Certainly this is the impression these organizations gained as is indicated by the letter I have just read. I have seen these letters. I have received this information over a period of three years.

I have been advised quite recently that if people of Asiatic descent want to bring their relations in, whom they felt it was advisable to bring in, they should bring them in exactly in the manner a lot of Chinese people have had to come into this country, that is to pay their money and bring them in through the back door. I think this is the way it is being done. If we use the figure of 11,000, and it has not been disputed by the departmental officials, and use the figure I have seen of $3,000, that means $33 million worth of graft some place. I would suggest that the government and the department cannot be so ignorant of the situation that they do not know this goes on.

Mr. Horner (Acadia): On a point of order, Mr. Chairman, the hon. member stated that this figure of 11,000 had not been disputed by the department. The Minister of Justice disputed that in the house not so long ago and said that this was not an official figure at all. I just want that brought to your attention.

Mr. Peters: This afternoon the minister said her department had neither confirmed nor denied it.

Mr. Horner (Acadia): I am stating what the Minister of Justice said.

Mr. Peters: We did not discuss the matter with the Minister of Justice. I did not hear him make that statement, but I did hear the minister responsible for this department make the statement to which I have referred. It seems to me we should make up our minds whether or not we want Chinese, Japanese, and in fact Asiatics in Canada. It is very unfair to hold this carrot out in front of the Asiatic people and tell them that if certain conditions are met, and we hope to meet them immediately, we hope to eliminate this discrimination and then you will be allowed to come into the country. This seems to me to be very unfair and to be a discriminatory way of treating these people.

We all know that there are people in Canada who would say that we have to bring in so many British for every one we bring in of French ancestry; that we would have to bring in so many Portuguese for every Italian we bring in. There are people who calculate exactly the composition of the Canadian population they want in the next five or ten years. In my opinion, this is not the honest or fair way of doing it. It is even more unfair when we tell people that we are going to change the act, that we are going to change the discriminatory clauses in the act so it will permit equality.

I hope some hon. members have taken the opportunity of reading just what the act does say. The Chinese and Japanese people have given close consideration to the various sections of the act. This is a brief presented by the Chinese benevolent association in 1958. They may have presented other briefs since that time, but if they have I do not happen to have a copy. Perhaps they agree with me that there does not seem to be a darn bit of sense in bringing a brief to a government which has already promised to do what you are asking but has no intention of doing it.

In the brief they point out the particular classes that can come in. They go into the history of the Asiatic people who first came to Canada, their reasons for coming and the services they rendered to the Canadian people. Then they point out on page 3 that racial discrimination still exists in the immigration law. The brief goes on to say:

> In the briefs presented to your predecessors, it was pointed out that the discriminatory nature of these laws has created great hardships for many families of Chinese Canadians who fled the communist regime in China and who are now living in Hong Kong in the hope that they may be reunited with husbands and parents.

I have here some place the break-down of the classes of people that are allowed to come to Canada from some countries, and those from Asiatic countries who are not allowed to come. The qualifying parts of the act are found in section 20, as amended by

order in council P.C. 1957/1675—*Hansard*, January 25, 1958—which states as follows:

Amendment to immigration regulation P.C. 1954-1351. P.C. 1957-1675 of December 20, 1957, revokes paragraph (d) of section 20 and substitutes the following therefor:

"a person who is a citizen of a country other than a country referred to in paragraphs (a), (b) or (c) or in section 21, if such a person is the husband, the wife or the unmarried child under 21 years of age, the father where he is over 65 years of age, or the mother where she is over 60 years of age, of a Canadian citizen or of a person legally admitted to Canada for permanent residence who is residing in Canada and who has applied for and is in a position to receive and care for any such person, but no such child shall be landed in Canada unless his father or his mother, as the case may be, is landed in Canada concurrently with him."

Then the brief goes on to say this:

The fundamental structure of the Canadian immigration policy stresses the union of the family. However, when section 20, as set forth in the above paragraph, is carefully scrutinized, the act reveals preference for the families of one country against those of another. Why, in this democratic country of Canada should a Canadian act differentiate and discriminate on grounds of race, colour, or ancestry?

It is true the Canadian immigration department has recognized the need for family unity and has provided for relatives of certain Canadians to be admitted into Canada by section 20, paragraphs (c) and (d) of the act. However, there is a disparity, between paragraphs (c) and (d), which restricts the interpretation of what constitutes a family if it is of Asian ancestry.

We respectfully submit that, if the section is carefully examined, for every 16 categories of persons admitted through paragraph (c), only five are admitted through paragraph (d). We respectfully submit the following chart which is a breakdown of the categories contained in section 20 (c) and (d).

It shows the 16 categories in the one class and for Asiatics only five particular classes. It also goes on to say this:

Furthermore, although the ratio is 16 to 5, section 20 (d) is further limited in that it states, "No such child shall be landed in Canada unless his father or his mother, as the case may be, is landed in Canada concurrently with him", and limits parents, "Mother must be 60 years or over, and father must be 65 years of age or over."

It is evident that a Canadian whose ancestry falls into section 20 (c) has the privilege of forging a much wider family tie than has a Canadian whose ancestry falls into section 20 (d).

We take this opportnuity to reveal the hardship Canadians, whose ancestry comes under section 20 (d), have suffered due to the inequality in the Immigration Act. The cases appended to this brief have been submitted to the Japanese association with the hope that the applicant will be united to his or her kin from Asia.

Anyway this gives you an indication of how discriminatory this is. These people are appealing not to the old Liberal government, which was a decaying government which had been here too long and had become set in its ways and certainly had no intention of changing its mind at all; they are appealing to a new government under the leadership of John Diefenbaker, the sponsor of a bill of rights for the Canadian people. How can this parliament grant a bill of rights to the Canadian people by law and at the same time have on the statute books laws that are as discriminatory against Canadian people as are these particular laws?

Mr. McCleave: Will the hon. member permit a question?

Mr. Peters: Surely.

Mr. McCleave: Does the hon. member believe in practical rights for Canadians in the province of Quebec?

Mr. Howard: Just as much as you do.

Mr. Peters: If I answered that question, Mr. Chairman, I think we would be a mile off the subject.

Mr. McCleave: You are off it anyway.

Mr. Peters: Reference is being made to a debate that is continuing in this house on a different subject altogether.

An hon. Member: You would be closer than you are now to the matter before the committee.

Mr. Peters: What I would suggest is this. If the government wishes to introduce a divorce debate into the discussion of the immigration estimates, I have not found any place in this house where it properly belongs. This might be the place for they have so many other things in this department and they might have a divorce section, for all I know.

One of the problems the minister has not faced but with which they are faced is this. I know that she is a reasonable woman and I am quite sure she is doing her best in her department. However, she inherited an unholy mess and this mess had built up over many years and the civil service that were responsible for this mess have been doing the same things for many years. The newspapers indicate it may perhaps have been for 10 years. I expect it may go even further back than that. But the Liberals had a solution for this problem. When they found somebody who was very favourable to them they passed an order in council that admitted two or three people in this manner in several little ways in which they could go around the act and leave the act as bad as it was. I think the Chinese people in my area were sincere when they believed there were going to be amendments and that they were going to be major amendments that were going to be to their advantage because they were tired of playing around with this business of $3,000.

Mr. Chairman, while $3,000 is a great deal of money to me, I have in my community

Chinese people who could afford close to $3 million if they wanted to spend it and who have the money to spend. The people that they would bring in would be no liability to Canada. One of them who has been brought in, incidentally, by one of the parties who are still trying to bring in relatives, is a civil servant here in Ottawa, and he is quite a high civil servant. He has been a credit to himself, to his people and his ancestors. It would appear to me that they believe they can stay within the law and that the new government will change the act and allow more leniency and a little better deal for them to bring in their relatives and their friends.

I have one particular Chinese constituent who wants to bring in his daughter-in-law and family. As I understand it, the son was killed and he now wants to bring the daughter-in-law into the family. This case has been going back and forth in the department for a number of years. I firmly believe that there is not much point in my writing to the minister and asking for any consideration in this case because, according to my understanding of it, it does not come under the terms of the act as we now operate. If these people were of any other nationality they could come into this country.

There are other people who are in almost as bad a position and these are West Indies people, particularly people from the British colonies in the West Indies. I have in my riding a very good friend who was obliged to change his religion, to all intents and purposes, in order to get into this country. It was impossible for him to come in with the religion he had so he changed it. He was Jewish previously, and now officially he is an Anglican and is still practising the faith of his fathers. He was obliged to tell the immigration department that he was an Anglican and that his wife was an Anglican or they could not get in here. He had tried previously and failed but when he was willing to change his religion, then he got into the country. I would suggest that he is a good citizen with a good background. His father was one of the best known citizens of the particular island from which he came.

In the last list the department has put out I notice that no people are listed as coming from Jamaica and some of the other islands. I would not know under what they would be listed; maybe it would be "other origins". If so, there are not many of them anyway, because under all other origins in the first quarter of this year there were only 702 people and this may include people from the West Indies. I do not know.

It seems to me that we can stand a great number of people in Canada. I have noticed in the papers where Canada is to allow more refugees into the country, and I would like to know from the department whether we asked these refugees to come in because we wanted them to fit into our plans, or did we want them to come in because our Secretary of State for External Affairs is a strong willed person and decided, when he heard the appeals made, that these people could be welcomed into Canada? Did he say, "We will bring them in here and I will talk the Prime Minister and others into my way of thinking"?

I rather think that these refugees came in through the grace of our external affairs minister rather than any other way. This is a good thing. I do not think it hurts to bring in this sort of refugee. I do not think it hurts when someone asks to bring in some relations from Austria or Hungary or one of those countries, relations who had t.b. and are now considered cured and can get four or five doctors to testify that they are cured and ask that some consideration be given to them. People are willing to put up a bond that the refugees will not become a responsibility. Why should not citizens who have been living here who are 30 or 40 years old and who have a mother of 60 or 70 not be allowed to bring her in instead of looking after her in a country where they have no connections and where there are increasing difficulties about sending money?

It would seem to me that a number of departments in this government need to be broken up, and this department is one. The department could be broken up into citizenship and immigration. There is some similarity between the two departments but I think we could concentrate after we get the immigrants here on whether they become good citizens or not and we could make better citizens out of them if we treated them better when we brought them here.

We have had an advertisement appearing in one of our papers which has made my people real mad. We have a large number of new Canadians in northern Ontario. Many of them came from Scotland and Ireland and they have to listen to this kind of junk. Whoever wrote this advertisement must have been hired for his literary ability, because they certainly did not hire him for his honesty. I would not say that anything in here is dishonest but I would say that the facts are vastly distorted. It is true that we do have new homes and beautiful suburbs, but this does not mean that somebody leaving a good job in Scotland could come to Canada and a week after find himself in a beautiful suburb living in a $15,000, a $20,000 or a $30,000 house, because he will not. He will

live in a shack like those in many communities and work on jobs which are only half as well paid as the job he had before, and his standard of living will be lower. This is true of hundreds of people in the mining field and as soon as some save some money they trot back home and wish they had never left home.

Mr. Chairman, among the companies who are mentioned in this particular advertisement are the Canadian Pacific Steamship Lines. Then there was another advertisement from Toronto which referred to the city travel agencies, a theatre company, the Cunard lines, the Canadian film board and the immigration service. I do not know whether all these people paid for this three quarter page advertisement which appeared in the London *Daily Mail,* but this article says: "This article has been contributed by the Canadian government immigration service."

Mr. Chairman, if we paid for this let us at least be honest about what Canada is. We have a large unemployment situation here. We have many problems in housing, in the medical services and hospitalization which we have not been able to solve yet. Let us not paint this sort of picture which will mean that when people come here they will distrust and dislike us for having lured them here under false pretences. Let us be honest and tell the people over there what Canada really means, and if it means rotation, let us rotate.

It seems to me that we must do something to correct all these problems, and I would suggest a real shake-up in this department is necessary and that a good place to start it would be in this particular item dealing with immigration. I suggest that we should do what we did with the Chinese problem, which is an important one now because we do not know how bad it is. I am sure that people will still go on collecting $3,000 and bringing people in through the back door. Our laws are so bad that they make law-abiding and honest citizens break the laws in order to accomplish what they think is morally just and morally right.

Mr. Pickersgill: Mr. Chairman, the hon. gentleman in his concluding remarks repeated a statement that he made earlier, and if he had not been a relatively young and inexperienced member I would have challenged him the moment he made it. He said it was customary—and he implied he knew of many cases—for people to pay $3,000 to get other people into this country by the back door. I should like to ask the hon. gentleman, if he knew of any such cases, whether he did his duty as a citizen and informed the police and, if he did not, why not?

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This is a very serious charge that the hon. gentleman has made. He got up here and talked about officials who were here in the house and not allowed to speak for themselves. I have been in that kind of position in the past, sir. I have heard members of parliament get up and attack civil servants who could not reply, and I have absolutely no respect for members of parliament who use their parliamentary immunity to attack people who cannot reply. If these brave members who make these charges here, where they are not answerable in the courts, would make them to the police and produce the evidence, it would be a lot better for this country and for the public affairs of this country.

Some hon. Members: Hear, hear.

Mr. Pickersgill: I had the responsibility for the last three years the former government was in office of the administration of this department, and every charge and suggestion of any kind of impropriety that was ever made was investigated and investigated immediately. Charges were laid in the courts in a few regrettable cases, quite a few in one particular instance, and there were others. Disciplinary action was taken by this department in a manner that was a credit to the public service of Canada, which is not filled with a lot of loafers and corrupt people as the hon. gentleman, in his loose way, suggested.

Some hon. Members: Hear, hear.

Mr. Pickersgill: I think it is time we had an end to this kind of talk. If a citizen has not the courage to lay the information and all the information he has before the police, then if he knows of wrongdoing he should not come in here and hide under his immunity and attack people who cannot reply. I think as far as I am concerned I have nothing but contempt for that kind of conduct.

Now, sir, I had not really intended—

Mr. Peters: Do you want an answer?

Mr. Pickersgill: The hon. gentleman can answer in his own time when I have finished; I did not interrupt him.

Mr. Peters: You said you asked a question.

Mr. Pickersgill: If the hon. gentleman would like to answer he may.

Mr. Peters: Mr. Chairman, this particular problem has concerned me for some time. I know of people who have been reported to have come in in this particular manner. I know of one particular family which we mentioned to the department but got no satisfaction from them. The department has always

said that they appreciate the information and will investigate it. I have no idea whether it was correct or not. My Chinese informants still tell me this is correct in this particular case.

I did go to the department a week or two before the arrests were made in Hong Kong and repeated these charges. I said I was advising my people not to wait for the amendments but to go ahead and pay their $3,000. I informed the department there and talked to the head of the department who was handling the matter, and it was only a week or so after that the arrests were made in Hong Kong and the charges began there.

Mr. Pickersgill: I think the hon. gentleman has answered himself and perhaps it is unnecessary for me to say anything further about this subject.

Mrs. Fairclough: I think so too.

Mr. Pickersgill: The point I really want to talk about particularly is a quarrel I have with the minister. It is one that I have had ever since the hon. lady made a statement in this chamber which I thought was a very foolish statement, which I said at the time I though was a very foolish statement and which in the light of experience has proved to be not only a very foolish thing but a very inhuman thing that has worked a great deal of unnecessary hardship on a number of people who would make perfectly good immigrants and citizens.

I believe the minister knows very well to what I am referring. I refer to the statement she made on August 23, 1958 as reported at page 4033 of *Hansard*. She said:

> An increased number of non-immigrants have, after entry, applied for permanent residence in Canada. Many of them have obtained employment.

And so on. The hon. lady spoke at some length and I shall not take the time to read it in full. However, I do not want to paraphrase incorrectly and I will be glad to make any correction the hon. lady asks me to make because I do not want to be unfair about this. The minister indicated quite clearly that all those persons then in the country as visitors would be processed as though they had applied from outside the country but from that day onward, anyone who came here as a visitor would not be allowed to apply for landing in Canada but would have to go home and apply there. If the minister thinks I have not summarized it fairly I invite her to say so now.

In reply to the minister on that occasion I said:

> I should now like to make a comment or two about the announcement made by the hon. lady. What her announcement amounted to when stripped of all its verbiage is that instead of considering each application individually as has been the case in the past she is attempting to establish a cut-off date so as to consider all these cases at once and then apply all the full rigours of the law after March 1.

That would be March 1, 1959. I continue:

> Having dealt with those cases as they arose over a period of some three years, I can understand why any minister would seek to formalize the procedure and reduce the amount of agony connected with it, but I would not like the hon. lady to get away with the impression that this represents any liberalization of the policy of the department because it is in fact the precise reverse.

I then went on to say something that subsequently proved to be incorrect. I said that I did not think the minister would be successful in maintaining her cut-off date but so far the hon. lady—perhaps because of those Dutch characteristics to which my friend the hon. member for Cartier referred earlier—has stubbornly persisted in that policy except in a few cases I know about.

I may say that same matter came up at the time the estimates of the department were before the estimates committee in 1955. It was raised at that time by the hon. member for Oxford. I have the proceedings here. The date appears to have been February 28, 1955 and I refer to page 83 of the proceedings. At that time the following exchange occurred between the hon. member for Oxford and myself:

> Mr. Nesbitt: Along the same line, with respect to the procedure in the case of a proposed immigrant to Canada who has resided in Canada but as a non-immigrant; suppose he files an application and then is told that he must go back to his own country and make an application from there; could he not submit his application while in Canada on a temporary basis?
>
> Hon. Mr. Pickersgill: I understand that it all depends on the circumstances; sometimes they are processed while he is still in Canada and sometimes they are told that they should go back and make an application.
>
> Mr. Nesbitt: Could the minister give us any indication or idea as to people who are resident in Canada on a non-immigrant basis, and when they are told they have to go back to their original country to make their application?

At that point Mr. Smith who was then the director of immigration gave the following answer:

> Mr. Smith: That is not done as a rule with the ones who are here, when we are satisfied that their intention when they came was not to circumvent any of our requirements. But we also advise them that their examination will take much longer in Canada than it would if they returned or if they returned to their own country of origin because of the procedures which have to be gone through, and that they can be dealt with much more rapidly on their return than would be the case if they remained here. However we do not insist on them going back if we are satisfied that the man is to be dealt with favourably here, and if he can comply with our requirements and regulations.

The discussion continued:

Mr. Nesbitt: So it depends on the individual case?
Mr. Smith: That is right.
Mr. Nesbitt: Suppose a person comes from the United States. In all cases probably he would be able to be accepted rather than to have to go back to the United States and apply?
Mr. Smih: Yes.
Mr. Nesbitt: Whereas a person who comes from Italy or France might even have to go back to Italy or France to get through more quickly?

I replied to that question and this is the reply I wish particularly to draw to your attention, Mr. Chairman:

Hon. Mr. Pickersgill: Perhaps I might say a word about my own experience as minister in this matter. It is not very conclusive,—

I might say at that time I had been minister for only six or seven months. I continue:

—but I think that there is a disposition on the part of the departmental officers, when someone has come in here as a non-immigrant with what looks pretty clearly like the deliberate intention of beating the regulations, to say, "Well, you can't do this; you have to go back and take your chances like the other people in the country you came from." But when someone comes genuinely as a visitor, likes this country and wants to stay, and looks like a person who in all probability might satisfy the regulations if he were processed, our disposition is not to suggest their return, I say that this is just the impression that I have obtained as minister from having dealt with cases of that kind. That is the kind of case that comes to me most often.

I believe the attitude I took at that time was the right and proper attitude to be taken. I know it is much easier administratively to say "no" to all these cases, to say to every visitor who comes to Canada, "You came here as a visitor; we do not know whether or not you are qualified as an immigrant; go back and put yourself on an equal basis with someone who has never been here." But this often involves months of time, maybe more than a year. It involves the disruption of people's lives and, in many cases, it involves fairly great expense. I have never been able to see how any member of the public who, after all, we represent here and whose servants we are or ought to be, could ever understand why we would say to people concerning whom there may be reasonable grounds for thinking they are perfectly qualified to be landed as immigrants, "You have to spend hundreds or thousands of dollars to go back where you came from and make your application in that country," instead of processing the applications here.

I know from the experience I have had and from the very kind of experience that the hon. lady has had this afternoon that every so often you get a difficult case that you feel you should turn down and that you have a duty imposed by this parliament to turn down. In the final analysis it is the duty of the minister imposed by a statute of this parliament to make decisions of that kind.

I had no hand in drafting that act although I had three years of administering it. I do not see how else the matter can be handled. I wish I could see some other way. I suppose it would be possible to establish or erect some kind of administrative tribunal to deal with these things. I have thought a great deal about that. If that were done I hope it would never be done on a basis that would allow an appeal to the minister. I hope that if an administrative tribunal were established —and that would have to be done by parliament itself, it could not be done by any regulations under the existing law because the existing law says the minister must decide; the courts have ruled in the Brent case that in the final analysis no one but the minister can decide—there would be no appeal to the minister and therefore, as I say, if we want to change it to establish an administrative tribunal it would have to be done by act of parliament.

I think very serious consideration should be given to all the implications of that, but I know what would happen. I know it would be said at once that the people appearing before this tribunal had not been properly treated and there would be appeals to the minister to reverse the tribunal. I would hope that we would decide either that there is going to be a tribunal which will have the final say or leave the matter with the minister. That, as I say, is something that cannot be settled here and now.

But I do appeal to the minister very strongly to reverse that decision which she made, and that is all it was. There was no order in council; it was just a decision by the minister and by the department. I ask her to go back to the system of considering here in Canada the cases of visitors on their merits. Nothing else makes any kind of sense to ordinary people.

I should like to say at the same time that I do not think there is a disposition in the case of persons who do not technically qualify under the law and the regulations as they stand at the present time to take a somewhat restrictive view. Of course, the governor in council could admit such cases on the recommendation of the minister. But there is a disposition now in certain cases to be unnecessarily rigid. One hon. member who spoke this afternoon—it may have been the hon. member for Cartier or the hon. member for Vancouver Centre—said something about half-sisters. Half-sisters are not unique creatures, but they are not in the common, ordinary run. There are not so many of them and there have been a few cases where it

seems to me that by making a liberal interpretation of policy no one would have been harmed. It may be that the law makes it impossible for the department to admit such cases, but it would not be impossible for the governor in council to make one of these exceptional rulings such as I think ought to be made from time to time.

This brings up what I know from experience to be one of the most difficult problems in the administration of the Immigration Act. I read the proceedings of the committee when the act was revised in 1951 or 1952 before I was a member of parliament. I read them with great care. I read the debates in the house, and I know that there are different ways of administering immigration. I can see only three possible ways of administering immigration. One way—the easiest way—would be to let anybody come here who wanted to come, without demanding any kind of qualifications whatsoever. I would give any government that attempted to introduce a policy of that kind just about as much time as it takes me to snap my fingers to stay in office. I do not believe there is any hon. member who would have the foolhardiness to suggest such a policy in this house, because we all know it would never be acceptable to the Canadian people. What I am about to say is, no doubt, not a very wise thing to say, politically, and I will no doubt be attacked as an old-fashioned reactionary for saying it. But there is no doubt that a great many people use arguments about immigration as though that should be the policy. They have not, however, got the courage to say it should be the policy. They talk loosely about discrimination of one kind and another, but if you put it right to them and say: are you in favour of an open-door policy, they would, of course, shy away from it.

In the absence of an open-door policy it is, of course, necessary to have some criteria of selection. That is all there is in the regulations which, as the hon. member for Timiskaming has correctly pointed out, are the same as they were when I was in office. Perhaps I would not defend them if they were not. They are the same as they were, and a tremendous amount of thought was given to them. I do not think they are perfect. But what was really sought was to make them practical so that they could deal with all the ordinary cases and all the ordinary problems one encountered.

We must remember this: the moment you have any criteria of selection you have to rely on human beings to do the selecting and you will always get these people who will refer to officials as little tyrants, as the Prime Minister used to do when he was sitting over here. I notice the right hon. gentleman does not say that any more. Of course, he has much more important things to think of now.

The plain fact is that if you have any criteria of selection at all you must have human beings to perform that function, and they are going to make mistakes. There is, of course, one other way and that is the United States system of the establishment of quotas. I do not know on what basis the Canadian people would ever agree to the establishment of quotas. I think we would have a very hard time indeed getting agreement in this country on a quota system and on what quota should be given to whom. No one who has ever had any responsibility for the administration of immigration since immigration began as a government service in this country has ever attempted it.

I really think there are times when we ought to look at the fundamentals of these things and see what we are really talking about. I believe that on balance the system we now have of making it almost open for those people who are most like ourselves to enter this country is probably the best system we could adopt at the present time. When I say "people who are most like ourselves" I do not mean that we are superior, or any nonsense of that sort. I say that because I believe that such people can adapt themselves to the country faster. For one thing, they do not have to learn the language. That is not saying that immigrants of this sort are superior to others. It is just that it is easier for them to integrate.

Immigration costs the receiving countries something, too. I have been very much impressed by some hon. gentlemen who are inclined sometimes to talk out of both sides of their mouths on this question. They talk about unemployment and the desirability of keeping people out, then they complain bitterly because some people are kept out. You have to make up your mind one way or the other. My own view is that in times when there is considerable unemployment and where people cannot get jobs easily we should not have open placement immigration at all. By that, I mean the immigration of people who have no connection with Canada.

I also am an unrepentant believer in the system of sponsorship which I think has served Canada exceedingly well since it was adopted in 1947 as a principle of immigration. I do not care what race a man comes from; a person who comes here with a brother or a father or a son or a cousin living in Canada to help him over the first hard period is going to find it easier to get along, and will

make a contribution to this country faster than someone who knows nobody here and is a complete stranger.

If instead of trying to find reasons for complaint in regard to the present regulations we approached them from the viewpoint of understanding why they were designed in the way they are, it would be found, I think, that what they seek to do is to make it as easy as possible for the close relatives of all those who live in this country to come here and join them.

I referred earlier today and I want to refer again to the fact that we had the liberality in this country—I am not claiming credit for this particularly for the government to which I belonged because it was before I belonged to it anyway and it would not have been done if the people of Canada had not been willing to accept it—to go on admitting the relatives of our Chinese Canadian citizens. I am proud of the fact that we did, that we did not allow the kind of passions which in an earlier period sometimes disfigured these matters to have sway, that, all during the period of the Korean war we admitted these Chinese immigrants with relatives here who were citizens. No other country in the world did that kind of thing. We are told that there was discrimination and so on; yes, there was discrimination, but I do not think it was discrimination in a bad sense. Because we had a good loyal population of Chinese Canadians it was favourable discrimination to say that we could safely admit their close relatives, and I think the proof of that pudding has been in the eating.

With respect to the 23,000 who have come, notwithstanding what anybody may say I do not believe that half of them came here illegally, and unless I see the evidence in black and white in each individual case and examine it I will not believe it at all. I am certainly not going to believe it on any kind of hearsay. I think it is most unfortunate. I do not believe that $44 million or $33 million was paid to bring these people here. I think stories like that are just utter and unadulterated rubbish and anybody who knows how hard it is to raise $44 million ought to know that.

I said in 1955 and again in 1956 that I was sure, because of the inherent difficulties in this matter, that nobody can remove and that no system could remove, that some people who were not relatives at all would be able to get through the net and that there would be some cases of fraud. I have felt all along that there were, and I do not care how many categories you have or what categories you have, there would still be some. When there is the kind of pressure that there is in this particular situation there will be a temptation to commit fraud. But before we start tossing around loose charges about these matters it does seem to me that we should know the facts and really have the information about them.

I should also like to say something else about the administration of the Immigration Act that I said before and that the hon. lady has not received very well when I have said it before. She received it exceptionally badly the last time I said it. I hope she will refrain from the temptation tonight to give the reply which she gave last year and the year before, and in order to discourage her from doing so I am going to give it first. It is true she can find in the files that when I was minister I did order some people deported who had children who were Canadian citizens. There is no doubt that some of these people either left voluntarily or were deported. I am ashamed of that, so there is no need for the hon. lady to say anything about it. I have said that publicly in the house before and I say it again. It was a mistake I made, and I think we should make it abundantly clear, no matter where we sit in the house that regardless of what their record is we do not intend to deport the parents of infant Canadian citizens.

What are we doing when we do that? We are putting on another country the responsibility for infant citizens of this country who were born here and who will never lose their citizenship unless they do so as a voluntary act, because no Canadian born citizen can lose his citizenship except by accepting the citizenship of another country. What we are doing is sending into exile our own citizens or separating them from their parents and thereby probably making them public charges. In a country like Canada with its wealth and its need for people, if we occasionally get some people who are technically deportable, or even bad people, and who happen to be the parents of Canadian citizens I believe we should not deport them when these Canadian citizens are infants and have to be cared for by someone. I should like to see the law changed so that this could not be done. But the law does not need to be changed. All the hon. lady needs to do is to change her mind or, if it is not her mind, to change the minds of her colleagues in order to have this done.

There is one other thing I want to say, Mr. Chairman, and I can see that you are looking at the clock. I must say I am exceedingly disappointed at the entirely unresponsive attitude of the Prime Minister—I do not blame the hon. lady for this but rather put the blame where it belongs, on the Prime Minister—to the appeal of the Canadian

welfare council and all sorts of Canadians all over the country who want to make a voluntary contribution to world refugee year. The Canadian welfare council made certain suggestions to the Prime Minister months ago, and I think I have asked him on an average of every 10 days when the government is going to reach a decision about this matter. On each occasion I have received the usual kind of answer that, unhappily, we get from the Prime Minister about matters of public policy most of the time.

The fact of the matter is that as long as we impose upon private sponsors of refugees an indefinite responsibility for the health and welfare care of these refugees we virtually make it impossible for them to be sponsored. While we have made great professions of our desire to do something about this matter, we have carefully kept the regulations in such a state that they really are a practical prohibition to action except in the case of people who either are very wealthy or very careless about their obligations.

The welfare council suggested that the government should get in touch with the provinces and reach some agreement. I personally do not think that was the best approach that could have been made. I think the right approach was the approach that I suggested to the Minister of Finance and that he promised to pass on to the Prime Minister, the Minister of Citizenship and Immigration and the Secretary of State for External Affairs. I think it would not be too much for the government of Canada to say in the case of sponsored refugees that, after a year or two years, the government would undertake the residual responsibility for health and welfare care. It would not amount to very much. If sponsors have to do it for a year or two years they are not going to assume terrible responsibilities, and it does seem to me that this would break the log jam in this whole business. We still have three weeks before the end of world refugee year and I appeal once more to the government to take a constructive attitude about this matter or at least to make up its mind and give a definite answer.

Mrs. Fairclough: Mr. Chairman, first of all may I thank the hon. member for Bonavista-Twillingate on two scores; first, for rising so ably to the defence of my staff and thereby saving me the trouble of doing so and, second, for having given some very constructive and frank comments on administration. I must say that in some cases I do not agree with him but that is to be expected. If I may answer his last remarks first, I should like to tell him that so far as the sponsorship of refugees is concerned we believe that the program is coming along very well. As the Prime Minister said, we do not intend to stop it at the end of world refugee year. He will be interested to know that, we have had about 80 applications for private sponsorship which have been developed, and several of these people are already in Canada. This comprises somewhere around 150 persons. The volume of inquiries has been very heavy, and in most cases the sponsors are groups of people.

I indicated earlier, I think, in response to a question asked by the hon. member for Essex East, that a meeting was arranged with the minister of health for Ontario, Dr. Dymond, to discuss the detailed implications of the statement made by Premier Frost on April 12 last respecting the Ontario government's part in assistance to refugees. I am glad to say that as a result of the discussions which were held with Dr. Dymond on May 30 last we have now received a communication in which Dr. Dymond states, on behalf of the Ontario government, and I quote:

> —while the province cannot undertake responsibility for any costs involved in the transportation of immigrant refugees, we will be prepared to assume the normally accepted welfare costs after the immigrant refugees have been in our province for six months.

What this means is that while the provincial authorities of Ontario cannot, for understandable reasons, accept responsibility for transportation costs, or for assistance given to an immigrant refugee during the first six months of his residence in Ontario, they have undertaken to provide to such immigrant refugees at the end of six months the normal assistance services available to ordinary residents of the province. Transportation arrangements, therefore, together with any assistance that may be necessary to an immigrant refugee during the first six months of his stay in Ontario will continue, in sponsored cases, to be the responsibility of the individual, group or agency providing sponsorship.

I think it will be recognized that the position taken by the province of Ontario in regard to this matter will be very helpful to those individuals or groups who are considering the possible sponsorship of immigrant refugee cases. I am hopeful that as a result of the initiative taken in this matter by Ontario other provinces will follow suit, and I am sure that this will greatly facilitate the possibilities of moving a larger number of immigrant refugees to Canada under suitable sponsorship arrangements than might otherwise have been possible.

This was action which we took as a result of the representations made by the Canadian

welfare council and others. I think it will work out very well. We are certainly going to give it a try, in any event.

The hon. member had something to say with reference to the deportation of the parents of Canadian born babies. I do not intend to get into any detailed argument. I feel strongly that it is a wrong principle to permit these people to stay here simply because a child is born in Canada. I should like to quote a portion of the judgment rendered in one case by the superior court of Quebec. I should like to quote three paragraphs which I feel set out rather well the thinking of the court at that time with which, I must say, I agree.

It is not true that the deportation of her parents will deprive this child of her Canadian citizenship. Not only is it not against "public order, good morals and Christian charity" that she should follow her parents in the country of which her parents and herself are citizens, but it would be indeed against "public order, good morals and Christian charity" that her parents abstain from taking her with them. In this respect, the fate of this child will be no better nor worse than that of a child born of Canadian parents in a country where, by reason of his having been born there, he is entitled to citizenship of that country, nor than that of a Canadian child of Canadian parents who decide to emigrate from Canada.

By taking the child with them, her parents would not be taking her into exile as she would still be living in a country of which she is a citizen having been born of Haitian citizens.

The hon. member will recognize the case.

To accept this extraordinary and astounding argument of petitioners in support of their objection to deportation of themselves would amount to admitting that the birth of a child to persons not being citizens of this country but residing here temporarily entitles ipso facto the parents to become Canadan citizens, a principle which manifestly would be contrary to the spirit, purposes and provisions of our law.

I think, Mr. Chairman, I could not improve upon that in any way, and I will leave it at that.

Mr. Pickersgill: Well, the hon. lady can have it.

Mrs. Fairclough: All right. There were several matters raised in the course of the debate this afternoon. I think I might comment on a few of them at this time. The hon. member for Cartier had quite a bit to say about the advertising which was done in the United Kingdom and asked, I think, why it was not done in some other countries.

Mr. Crestohl: He asked whether it was done in other countries.

Mrs. Fairclough: The simple answer to that is that in most of the European countries we are not permitted to advertise. Most of the European countries do not permit us to do any real promotional advertising for immigration. If the hon. member is interested in any one country I will try to tell him what the situation is. It just happens that the United Kingdom is one place where we can and do advertise. I should say that the advertisements which have been quoted here today have been, in the main, old ones. They have not been recent. There has been no advertising in the last few months. The advertisements which were quoted by one hon. member were those of a transportation company, not ours.

It is true that a few months ago there would be a few classifications of employment for which there was a demand in Canada listed in these advertisements. These classifications are taken from the experiences of our offices across Canada after consultation with officials of the national employment service. Having said that, I think I should go further and say that it is true that there might be unemployment in a given line of work in one part of the country and still be vacancies in that particular line of work in another part of the country. People are not too likely to tear up roots. They are naturally optimistic and hope that in a few months things will be better. They tend to stay where they are, particularly if they own their own homes and have families. They are reluctant to move thousands of miles away from the cities in which they reside. In that respect it is quite possible that we have openings for persons in a given line of employment in one of the eastern Ontario cities, whereas in the same line of work there will be people unemployed in a western city. That is, broadly, the explanation.

I should like to reply to the hon. member for Vancouver East in this regard and tell him that we are not sending open placement immigrants to British Columbia except in these specific cases; in the professional classes; butchers and meatcutters, they tell me there is a limited demand for them in British Columbia; bakers, pastry cooks and cooks, and there is a limited demand for them. There is a good demand for domestics, nurses' aides and waiters. These are the only ones that are being directed to British Columbia. I thought the hon. member might be interested in that information.

I should also tell the hon. member for Cartier, with regard to his inquiry about deportations to Iraq, that there have been no deportations to Iraq in the last three years. I do not know whether he is aware of that.

Mr. Crestohl: I am pleased to hear that.

Mrs. Fairclough: I think probably the information upon which he based his argument was older than three years. With regard to deportations in general, may I say for the information of several hon. members of the

committee who have mentioned this matter that in the last three years these deportations have numbered 150 per year less than they did in the preceding three years.

Mr. Pickersgill: Will the hon. lady permit a question?

Mrs. Fairclough: Certainly.

Mr. Pickersgill: She knows, as do I, that "deportations" is a loose word. Are these deportations of landed immigrants, deportations of visitors or all deportations?

Mrs. Fairclough: This particular figure had to do with all deportations. However, if the hon. member would like to have the figures with respect ot others, I can give them to him. In the last three years the deportations executed were 1,924. No, I am sorry; the information I gave is wrong. The figure 150 has to do with just those who were in the country, not border exclusions.

Mr. Pickersgill: The hon. lady knows there are two kinds of so-called deportations. When the act is changed I hope she will take note of them and use a different word.

Mrs. Fairclough: Exclusions, you mean?

Mr. Pickersgill: I feel that deportation should be reserved only for immigrants who have been landed and where they have, of course, a legal process to go through. That is what I was really interested in.

Mrs. Fairclough: The deportations that were executed have to do with people who were in the country. I do not know whether we have those separated into immigrants and non-immigrants.

Mr. Pickersgill: It does not really matter.

Mrs. Fairclough: However, they were not border exclusions. In that case there were 1,924 in the last three years and in the years preceding there were 2,370, which is an average of 150 per year less in the recent period.

(Translation):

Mr. Johnson: Mr. Chairman, I had no intention of taking part in this debate but, because of certain remarks made by prominent members of the opposition, I am forced to set the facts in their true light about the stand taken by Quebec Conservative members concerning immigration in Canada.

The Liberal opposition seizes every opportunity, and without reason, to drag into this house the debate that now is being waged in the Quebec political arena with regard to the provincial elections. Time and again, they like to refer to some press item condemning the provincial government and seeking to connect the views of the provincial government with those of the federal government, and at the same time to confuse both political parties, the Conservative in Ottawa and the Union Nationale in Quebec, so that every time there is an opportunity of condemning one of them, it is also possible to trip the other one and give it a stab in the back.

I see no better illustration of this than the remarks which the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) made a few moments ago, when the hon. member, resorting to a facile hustings technique embarked upon a declamatory speech in which he challenged one of his fellow members to answer a series of questions which I am sorry not to have entirely grasped, because they were not only unintelligible, but unintelligent.

Mr. Chairman, I am certain that not a single hon. member and not a single Canadian, whether in the province of Quebec or in the whole of Canada, will dare to oppose sensible immigration. We, the Conservatives from the province of Quebec are not opposed —and I do think this is also the case of our Liberal friends opposite—to moderate immigration to the extent that Canada is able to supply those immigrants with sufficient work to make a living.

Now, I ask the hon. member for Maisonneuve-Rosemont whether, after closing his remarks, he listened carefully to the speech of the hon. member for Bonavista-Twillingate (Mr. Pickersgill), who, without making any statement contrary to what our hon. friend from Maisonneuve-Rosemont said, nevertheless put things in their true light, with that frankness which I admit he has, at least in respect of his speech tonight. The hon. member for Bonavista-Twillingate frankly expressed his views on certain issues. He did not try to have it both ways, as did the hon. member for Maisonneuve-Rosemont who followed the lead given for many years by the federal Liberal party, stating one thing in Quebec and the opposite in the other provinces.

Mr. Chairman, is there a single Canadian inside or outside this house who would deny that immigrants are generally able to become excellent Canadians, when they are not attracted under false pretences, such as telling them that some well-paid job is waiting for them, whereas, actually, they have to get along on their own? Unfortunately, such was the stupid attitude of the Liberal government of which the dear friend of the hon.

member for Laurier (Mr. Chevrier), Hon. Jean Lesage, was a member when the Liberals were in power.

Mr. Chairman, I shall ask again: Is there in this house a single Liberal member who would deny the two propositions I advanced a few moments ago, that is, are you, the Liberals, opposed to moderate immigration as far as Canada is in a position to offer new Canadians the jobs that will enable them to earn their living? Can you Liberals deny that immigrants are generally able to become very good Canadians, as long as they are not attracted to this country under false pretenses, with the understanding that they will be gainfully employed? I do not think I will ever hear a single Liberal member deny the statement made earlier by the member for Bonavista-Twillingate and even the conclusions reached by the member for Maisonneuve-Rosemont before closing his speech.

Mr. Chairman, the hon. member for Maisonneuve-Rosemont had a good deal to say about an election advertisement run by the Union Nationale in a certain newspaper. Well, the advertisement referred to contains word for word the two proposals which I am now challenging Liberal members to deny. I have read the advertisement and I think I may quote it for the information of the house, since the member for Laurier read part of a document, which he had no right to do unless the document was tabled or unless he read the whole document—which he did not do, the Liberals being accustomed to half-truths or half-falsehoods, which in their case is the very same thing.

The advertisement reads as follows:

A question calling for an answer.

The "old hands" of the Ottawa Liberal centralizing school are coming to talk to us about unemployment in Quebec.

They do not seem to realize that they themselves are responsible in the first place for the great difficulties we have been having for several years in the province of Quebec, i.e.: recovery of our taxation rights, heavy taxation, unemployment, etc.

Why did you bring 1,533,000 immigrants into Canada in the space of 10 years?

That is the question put by that advertisement. Explanations are being asked of the Liberal government. That is all the advertisement does. But, what the hon. member for Maisonneuve-Rosemont failed to say is that the advertisement does not stop there, and he did it deliberately, because it goes on as follows:

We are not opposed to moderate immigration to the extent that Canada is able to provide new Canadians with the jobs they need to earn their living. Immigrants are generally able to become excellent Canadians as long as they are not attracted under false pretenses leading them to believe that well-paid jobs are waiting for them.

When Mr. Lesage had a say in the administration of this country, he left the door wide open to excessive immigration, whose unfortunate effects are now being felt, not only in the province of Quebec but in the nine other provinces of Canada.

It is that same Mr. Lesage who, today, is complaining about Quebec unemployment of which he, together with his friends, is responsible in the first instance.

Ladies and gentlemen, Mr. Chairman, by dint of seeing Liberals climb on the provincial election bandwagon, it seems that, in spite of myself, I am doing the same thing.

Mr. Chairman, perhaps what I am going to say now is not new. It is a statement which has been made several times in the province of Quebec, but I feel it is necessary to repeat it here, to the whole nation in this parliament of Canada. It is time Liberals ceased, for election purposes, to exploit all kinds of statements undermining the attitude, not only of a political party in the province of Quebec, but of all French-speaking Canadians, as the hon. member for Maisonneuve-Rosemont was doing a moment ago. There is no province in Canada—and I am proud to repeat it here, Mr. Chairman—there is no province in Canada that gives fairer treatment to its minorities, be they immigrants or its English-speaking population. It is time the Liberals stopped running down the attitude of the people of Quebec, both with regard to immigration and with regard to relations between the various ethnic groups in the province of Quebec.

Mr. Deschatelets: Would the hon. member for Chambly-Rouville allow me a question?

Mr. Johnson: Certainly.

Mr. Deschatelets: Does the hon. member for Chambly-Rouville regard as fair and reasonable, in the light of present economic circumstances, the invitation a few weeks ago in London by the Prime Minister, when he said we were now in a position to absorb tens of thousands of immigrants?

Mr. Johnson: I am sorry, Mr. Chairman, I did not get the last part of the question, because someone was talking to me.

Mr. Deschatelets: Mr. Chairman, my question to the hon. member for Chambly-Rouville is as follows. Does the hon. member feel, in

view of the present economic position, and in view of the present unemployment situation in Canada, that the statement made by the Prime Minister in London a few weeks ago, inviting tens of thousands of immigrants to Canada, was a reasonable invitation in Canada's present economic context?

Mr. Johnson: Mr. Chairman, I unfortunately have not read the advertisement or alleged invitation referred to by the hon. member for Maisonneuve-Rosemont, but I know that the Prime Minister of Canada is familiar enough with the economic situation to accept responsibility for any statements he may make. I would therefore suggest to the hon. member for Maisonneuve-Rosemont that, before attempting to interpret the words of the Prime Minister, he might first explain what he means by "economic context"?

Mr. Deschatelets: Mr. Chairman, would the hon. member allow me another question?

Does the hon. member for Chambly-Rouville approve of the advertisement published in the Belfast *Telegraph* in the latter part of December 1959, in which the Department of Citizenship and Immigration invited immigrants to Canada, listing 75 different trades, at a time when Canadian citizens could not find employment in those trades?

Mr. Johnson: Mr. Chairman, in the first place I have not read the advertisement, and therefore I am not in a position to discuss it, particularly in view of the fact that I feel suspicious of any interpretation placed upon it by the Liberal opposition. I shall therefore refrain from any comment until such time as I have had the opportunity of reading the advertisement.

However, I would advise the member for Maisonneuve-Rosemont not to be too harsh on the official who may have had this advertisement published; he would risk incurring the wrath of the hon. member for Bonavista-Twillingate.

Mr. Deschatelets: I have a third question to ask.

The Chairman: I do not think I can allow this exchange to go on.

Mr. Robichaud: He could not reply anyway.

Mr. Habel: He did not answer a single question.

Mr. O'Hurley: It is not easy to answer questions by Liberal members.

(Text):

Mr. Smith (Lincoln): Mr. Chairman, I do not wish to hold up this debate unduly but there are one or two matters pertaining to sponsored immigration with which I should like to deal very briefly at this time. However, before I proceed I should like to say, in fairness to the minister and her staff that over the years I have had excellent co-operation from both the minister and her staff in Ottawa and also her staff at Niagara Falls, Ontario, which is the port of entry for the Niagara peninsula.

The matter with which I wish to deal, as I say, is sponsored immigration. Under the regulations at the present time a person who is a Canadian can bring to this country from, say, Poland a brother or a sister and his or her family. But in some cases where there is one or more members in the family over 18 years of age you run into a serious problem because it appears that under the regulations there is no specific provision to sponsor such a person.

I have had one or two cases of that kind. I might say that in one case when the man who was making the application in Niagara Falls was told that one member of the family, a girl just over 18, could not come in, he dropped the application. In another case the application went through, the family came here and a daughter was left in Poland hoping that after a while she would be able to come.

I think this is a very serious problem and I would suggest that where family units are being sponsored to come to this country the age limit for children should be raised from 18 years of age to 21 years of age; that is, providing they are not married. I think this is a matter which I brought to the attention of the minister before, and she was very gracious about it but said that under the regulations there were no provisions to process a case of that kind.

There is also the matter of nieces and nephews. There is no great problem about bringing them into this country from countries like Poland if they are less than 18 years of age; but as soon as they go over the 18 years of age limit you are again faced with the same problem, that there are no provisions in that country to process them. Sometimes you are able to get them through after a great deal of correspondence. Generally speaking, after 18 years of age it is difficult if not impossible to bring them to Canada.

Regarding the bringing to Canada of the children of Chinese families I have often thought that the regulations are a little harsh. They demand the submission of full identification, birth certificates, photographs and things of that nature which are often difficult to obtain. In cases of that sort where a party is bringing young Chinese people to this country the regulations should be

relaxed a little if the sponsoring party is sound financially and a good citizen to make it easier to bring the young people here and unite the families and make them happy.

There are many new Canadians in the Niagara peninsula. In spite of the disappointments experienced in some cases there are hundreds of happily re-united families whose re-union has been made possible through the department. I sincerely appreciate what has been done and thank the minister on their behalf.

I urge the minister and the department to take a second look at the possibility of changing the regulations concerning sponsored immigration where the children are over 18 and concerning the bringing to Canada of nieces and nephews over age 18. I suggest that age 21 should be considered.

Mr. Herridge: Mr. Chairman, I am labouring under difficulties in rising to speak at this time. First, it is five minutes to ten o'clock. Second, I am somewhat timid about hurting a lady's feelings. Third, I have been married for many years, have four daughters and have never yet won an argument with a woman. I trust I will not repeat what has been said although I wish to support and emphasize some comments that have been made.

I am pleased that Dr. Davidson has been appointed deputy minister of the department. Many people wrote me about this. Rather than to proliferate with excessive language it would be simpler for me to quote from an article by Tempus in the June 10 issue of the *Financial Times*:

> The long-delayed shakeup in the department of immigration here is taking place; or has taken place. Laval Fortier, for 10 years the deputy minister of citizenship and immigration, has been moved to the unemployment insurance commission, while Dr. George Davidson, B.S., M.A., Ph.D., moves, after a decade in health and welfare as deputy, to the new post of deputy minister of citizenship and immigration. The Bass river bluenose—

A nice phrase. I continue:

> —is deemed a suitable man for the new policy. After all the trouble Mrs. Ellen Fairclough was having in immigration, heads had to roll; at least one did; not hers.

I do not often agree with Tempus but that is well stated and I believe reflects the view of many Canadians.

I recognize that this department faces problems different from those faced by other departments, problems concerning human beings and problems at times almost intangible through circumstances that arise. Many people have written or spoken to me about immigration problems including veterans, my constituents, members of the Canadian Legion, officials and members of trade unions and Canadians of Chinese origin residing in my constituency. The latter tell me that regardless of the fact they are represented by one of their own racial origin they prefer to bring their problems to me. I appreciate their point of view very much. They recntly wrote me about their opinion on matters to which I will refer later.

I appreciate the trying tasks the department has to undertake and the difficulties experienced by the staff and officials in coping with regulations that are difficult to administer and with problems arising from the present unplanned immigration policy.

Members of the Canadian Legion and other organizations have asked me to inquire of the minister if all the officials and staff of her department employed since 1945 are entitled to the veterans preference.

I have been ambling along preparatory to coming to the core of my remarks but I see it is thirty seconds to ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker may I inquire what the business is for tomorrow and ask if the house leader could tell us what we will be doing next week?

Mr. Churchill: Tomorrow, Mr. Speaker, we will commence with the estimates of the Department of Transport. If concluded, we have available the estimates of the Post Office Department.

The tentative program for next week is as follows. For Monday and Tuesday there are eight items on the order paper of a legislative nature which will be taken in this order:

1. The second reading of Bill No. C-74 referring to the Customs Tariff.
2. Bill No. C-73 referring to the Excise Tax Act.
3. Bill No. C-65 referring to the Estate Tax Act.
4. Bill No. C-69 referring to the expenditures of the Canadian National Railways system.
5. Bill No. C-68 referring to the Income Tax Act.
6. Bill No. C-64, to amend the Emergency Gold Mining Assistance Act.
7. Bill No. S-32, to authorize the construction and maintenance of a bridge across the St. Lawrence river near the town of La Salle.
8. A motion in the name of the Minister of National Revenue to set up a select committee on the subject of broadcasting. That would be called on Tuesday.

For the balance of the week—Wednesday, Thursday and Friday—we will go into committee of supply to consider the estimates in

the following order, subject to adjustment if necessary: the continuation of the Department of Citizenship and Immigration, post office, mines and technical surveys, fisheries, veterans affairs, health and welfare. All those are ready. Veterans affairs and health and welfare estimates have both gone to committees and have been carefully studied. The Department of Transport, if not finished tomorrow, will be considered again on Friday of next week.

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

HOUSE OF COMMONS

Friday, June 10, 1960

The house met at 11 a.m.

BANKING AND COMMERCE

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Mr. C. A. Cathers (York North) presented the fifth report of the standing committee on banking and commerce and moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

INQUIRY AS TO RESUMPTION OF DEBATE ON CAPITAL PUNISHMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether he is in a position to give the house the intention of the government with regard to the resumption of the discussion of capital punishment.

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. gentleman sent me no notice of this question, so I speak entirely on the basis of my recollection of the situation. I believe when the matter was last before the house on a private member's motion we found ourselves in the position where, at the request of the Leader of the Opposition, it was provided that an extra day would be made available in the event that there were still some hon. members who had a desire to speak but who, were the debate to be concluded on that day, would be denied an opportunity of expressing themselves on so important a matter.

What I will do is look over the record and ascertain the position of affairs and the nature of the discussion at that time, and be in a position on Monday to report in general as to the course the government has in mind.

DOMINION-PROVINCIAL RELATIONS

EQUALIZATION PRINCIPLE—REFERENCE TO EDITORIAL IN TORONTO "GLOBE AND MAIL"

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Finance whether his attention has been directed to an editorial in the *Globe and Mail* this morning which makes a bitter attack on the whole principle of equalization in federal-provincial financial relations, and whether this is a forecast of the attitude which the government will take in July.

Hon. Donald M. Fleming (Minister of Finance): Perhaps I can conclusively and comprehensively answer the hon. gentleman's question, and perhaps set at rest his blossoming fears, if I say I have not seen the editorial in question. I have not had time yet today to read editorials. I presume the editorial is the responsibility of the editor of the newspaper. When government policy is declared it is the practice of the government to declare it in the house when parliament is in session.

Mr. Pickersgill: Can the minister reassure the house that the government has no intention of abandoning the principle of equalization?

Mr. Fleming (Eglinton): I can direct the hon. member to the statements that have been made in the house, I believe both by the Prime Minister and myself, I think the most recent one being during the debate of a few weeks ago on the amendment to the Federal-Provincial Tax-Sharing Arrangements Act, when I pointed out that in that measure the present government had carried the principle of equalization further than it had ever been carried before for the benefit of those provinces which were not in as strong a fiscal position as others.

PENITENTIARIES

KINGSTON—STATEMENT ON REPORTED ATTACK ON MATRON BY INMATE OF WOMEN'S PRISON

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Yesterday the hon. member for Skeena asked me a question with regard to an attack on the matron of the prison for women at Kingston. At approximately two o'clock in the morning on March 29, 1960, one of the matrons on duty at the prison for women, Kingston, was assaulted by a female inmate while carrying out her normal patrol through a dormitory occupied by some of the inmates. She was struck on the head with a soft drink bottle and received several jabs in the arm with a cooking fork. She was taken to the Kingston General hospital where the

wounds she had sustained were stitched up and returned to her duties on April 19.

Investigation has not disclosed any reason for this sudden attack, although the inmate was questioned at length by the warden and the psychiatrists who are in attendance at the prison for women. The inmate was placed in disassociation as a disciplinary measure and will forfeit all earned remission. She has subsequently been released from disassociation and is now serving her sentence in a normal manner.

BOY SCOUTS ASSOCIATION

INQUIRY AS TO APPLICATION FOR CHANGE IN NAME

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Acting Secretary of State. I should be grateful if the minister would advise the house whether he has received an application from the Boy Scouts Association to change the name of the Canadian general council of the Boy Scouts Association to the Boy Scouts of Canada. If so, what action has been taken?

Hon. Leon Balcer (Acting Secretary of State): Mr. Speaker, notice of this question was just brought to my attention as I was coming into the house. I will make the proper inquiry and have an answer on Monday.

UNEMPLOYMENT INSURANCE

STATEMENT ON SALE OF BONDS IN PORTFOLIO OF FUND

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): On June 8 the hon. member for Essex East asked me whether it is a fact that the Bank of Canada is now selling long term bonds held in the portfolio of the unemployment insurance fund and buying treasury bills with the proceeds.

Yesterday he repeated the question, and added this gloss upon it in remarks which he smuggled in with his question. As reported at page 4710 of *Hansard* he said:

> —because if the Bank of Canada is selling long term bonds this is an indication that the Bank of Canada is greatly concerned about unemployment in the future.

The hon. gentleman is just about as wrong as usual, Mr. Speaker. The fact is that the unemployment insurance fund has not been buying treasury bills. As a matter of fact, it has not held any treasury bills now for the past several months. Any transactions in its security portfolio are simply routine ones that have been carried out in accordance with plans made for some time. These are available as of the end of each month if hon. members ask for that information. It has never been the policy to give this information on a day to day or week to week basis but as of the month end.

I think all hon. members of the house will be pleased to know that the borrowings from the Minister of Finance on behalf of the unemployment insurance fund have recently been reduced. As of May 31 the total of loans outstanding from the Minister of Finance was $37 million. As of yesterday they had been reduced to $25 million.

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I may, I should like to ask the minister a supplementary question. Can the minister tell the house what the official rate of duty is on remarks included with questions?

Some hon. Members: Oh, oh.

Mr. Speaker: Perhaps the hon. member had better ask the Minister of National Revenue.

Mr. Pickersgill: I shall be pleased to do that.

SUPPLY

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

DEPARTMENT OF TRANSPORT

Marine Services—

410. Aids to navigation—Administration, operation and maintenance including fees for membership in the international organizations listed in the details of the estimates, $6,015,938.

The Acting Chairman (Mr. McGee): This item will be found at page 73 of the blue book, the details at page 518.

Mr. Cardin: Under this item, Mr. Chairman, I think we can discuss a subject which has been before the House of Commons on previous occasions and which has interested members of parliament for some years, particularly the members from the province of Quebec. It has to do with keeping navigation open on the St. Lawrence river during the winter months.

As hon. members well know, there have been many technical difficulties in keeping the river open because of the extremely rigorous winters we have had. That is one reason this project has been postponed for some time. I think it is understood that all hon. members from the province of Quebec are extremely—

The Acting Chairman (Mr. McGee): May I ask hon. members who are leaving the chamber to be a little quieter so the hon. member who has the floor can be heard.

Mr. Cardin: Thank you, Mr. Chairman. I was saying that all hon. members representing the province of Quebec are extremely interested in this subject and anxious to have the St. Lawrence river open during the winter months. However, it has been known—and it is a fact, of course—that the St. Lawrence river and navigation on that river are definitely a federal government responsibility under the constitution.

Recently statements have been made in the province of Quebec by the premier of that province to the effect that the provincial government would build an icebreaker and that the provincial government of Quebec would keep the St. Lawrence river open for winter navigation. The question I would like to ask the minister—

Mr. Pearson: —who is not here—

Mr. Cardin: —and it is an extremely important question, is whether the government of the province of Quebec consulted with the federal government before making the statement, indeed the promise, that they would keep the St. Lawrence river open for winter navigation.

As hon. members will recall, on many occasions the province of Quebec has been very definite about the wording of the constitution and its application, and of course that works both ways. What comes under federal responsibility must be left to federal responsibility, and what comes under provincial responsibility must also be left to provincial responsibility. If it were not we would have chaos. I think the minister could certainly help a great deal by informing the committee, first of all, whether there has been any consultation between the province of Quebec and the federal government concerning permission being given to the province to keep the St. Lawrence seaway open during the winter months.

Mr. Chairman, may I ask the minister to answer these two questions; first, whether there has been any consultation between the province of Quebec and the federal government concerning the proposition made by the premier of Quebec about keeping the St. Lawrence river open during the winter months. Second, would the minister care to comment on the constitutional aspect of a project whereby a province, in this case the province of Quebec, would keep the St. Lawrence open for winter navigation?

Mr. Hees: First of all, Mr. Chairman, I would like to correct something the hon. member said a moment ago. He said I was not present in the chamber. Well, I think it is obvious—

Mr. Pearson: Mr. Chairman, I interjected that observation because I looked and could not see the minister in his seat. However, he was with the chairman, and I apologize for saying that; the minister certainly was in the chamber.

Mr. Hees: I heard that the remark had been made. Mr. Barrette, the premier of Quebec, and I have discussed on a number of occasions the question of winter navigation on the St. Lawrence in Quebec, and I know of his great interest in it. I did not have a specific discussion with him immediately prior to the announcement he made regarding winter navigation.

In answer to the second question, about whether it is constitutional for a province to go into winter navigation, I am advised that it is perfectly constitutional to do so.

Mr. Brooks: I wonder if I might ask the hon. member a question. Does the hon. member for Richelieu-Vercheres consider it constitutional for the federal government to keep the St. Lawrence open during the winter months? Does he consider it an obligation on the federal government?

Mr. Cardin: As to the first question, I understand that all navigable waters come under the jurisdiction of the federal government, and if the government should decide that it can keep the water open during winter it would certainly be constitutional to do so. As to whether it is an obligation, I would say it certainly is not an obligation.

Mr. Brooks: Does the hon. member consider a river frozen over with two or three feet of ice during the wintertime to be a navigable river during that time?

Mr. Cardin: If the ice could be broken and ships could be made to pass I would say it was navigable; and if it was in the interests of a province that this should be done I would say it would be not only constitutional but desirable.

Mr. Brooks: Do you mean naturally broken by the elements, or by icebreakers?

Mr. Cardin: By icebreakers.

Mr. Brooks: I do not think that would be approved in certain parts of Canada.

Mr. Pearson: May I ask the hon. gentleman whether he considers it desirable for the federal government to have icebreakers for this purpose?

Mr. Brooks: I do not think the federal government should have icebreakers to keep the St. Lawrence open all winter, especially when we have two winter ports in the maritime provinces, Saint John and Halifax.

Mr. Pearson: I should like to ask the minister a question or two, because he seems to be keenly interested in this matter and I know he has a very good reason for being interested. Is he in agreement with the policy of the Minister of Transport of keeping the ports open along the north shore of the St. Lawrence for winter navigation right up to the city of Quebec?

Mr. Brooks: My understanding is that it is only local trade in Baie Comeau and Seven Islands. It has nothing to do with the trans-ocean business of the winter ports.

Mr. Chevrier: But the minister stated on one occasion that he was willing to keep navigation open in wintertime right up to and including the port of Quebec. Does the Minister of Veterans Affairs agree with that?

Mr. Brooks: You won't get me on that one.

Mr. Chevrier: What was that?

Mr. Brooks: I understand the minister never said any such thing.

Mr. Chevrier: Mr. Chairman—

Some hon. Members: Order.

Mr. Chevrier: On a question of privilege, it has been stated that the minister did not make that statement. I have put that statement on the record. I have not got it with me at the moment, but not only has the Minister of Transport stated it but the parliamentary secretary to the Minister of Public Works has stated it, and it is on record in *Hansard*. Does the minister now deny that statement?

Mr. Brooks: I am not speaking for either.

Mr. Chevrier: It is clear the hon. gentleman is disagreeing with his colleague.

(Translation):

Mr. Johnson: Mr. Chairman, I would like to clear up a point with the hon. member for Richelieu-Vercheres (Mr. Cardin). Would he tell me whether, in his view, the fact a river, such as the St. Lawrence river, is navigable is sufficient reason to bar the provincial government from the jurisdiction required to establish winter navigation on it?

Mr. Cardin: Mr. Chairman, according to the constitution, all navigable rivers come under federal jurisdiction. In my opinion, this is the only point that should be considered in this case. Under the constitution itself, all navigable rivers are under federal jurisdiction.

(Text):

If I may, I should like to repeat the question I asked a while ago as to whether the minister said that the provincial governments can constitutionally maintain the St. Lawrence open during the winter months.

[Mr. Brooks.]

Mr. Hees: As I understood it, the question was whether it was constitutional for the province to do icebreaking on the St. Lawrence river. My advice is that it is; that there would be no objection to it if they wished to do it.

Mr. Chevrier: I should now like to put on the record what I had reference to a moment ago so there will not be any doubt about my statement and so there will not be any doubt about the discussion which has taken place between the hon. member for Richelieu-Vercheres, the Minister of Veterans Affairs and myself. On January 22, 1958 the Minister of Transport, speaking before the Dominion Marine Association and the lake carriers association at the Seigniory club, Montebello, Quebec, had this to say:

> With this group of ships available it should be possible within the next few years to meet virtually all requirements in the St. Lawrence and gulf areas, including such winter shipping as may wish to proceed to the various ports in the lower St. Lawrence, even as far up as Quebec, and in the gulf and Atlantic areas generally.

The parliamentary secretary to the Minister of Public Works, speaking at the Ritz Carlton hotel on September 24, 1959, in a speech which he delivered in French, referred to the statement made by the Minister of Transport before the Dominion Marine Association and quoted it, leaving out one small part. I will read what the parliamentary secretary said at that time. It goes as follows:

> With this group of ships available, it should be possible, within the next few years, to meet virtually all requirements on the St. Lawrence and gulf areas, including such winter shipping as may wish to proceed to the various ports in the lower St. Lawrence, even as far up as Quebec.

This is clear enough, surely, and needs no comment.

Well, now, judging by the statement made by the Minister of Veterans Affairs, it would appear to me that there is a clear difference of opinion between himself and the Minister of Transport. If that is the case I think he should clear it up at once and tell us why the division does exist.

Mr. Brooks: Certainly there is a difference of opinion between you and me; I would say that.

(Translation):

Mr. Johnson: Mr. Chairman, I should like to express disagreement with two statements made just now. Before taking exception to the assertions made by the hon. member for Richelieu-Vercheres, I want to make sure what he meant by his first statement. I want to know whether he was prepared to declare to the house that the province of Quebec is acting altogether unconstitutionally in enacting legislation to promote winter navigation on the St. Lawrence river

up to Quebec city. If I have misinterpreted the hon. member's statement, I am sure he will want to dispel the false impression he has probably created. I understood him to say that navigable rivers come under federal jurisdiction.

The member should realize that the constitution limits the federal government's authority to navigation, and that is something different.

The provincial government certainly has jurisdiction, at least up to a certain point over navigable rivers, and the hon. member for Richelieu-Vercheres must know that the constitution is to be interpreted in this way.

I should also add that, I have a feeling that this intervention arose out of a statement said to have been made two days ago in the city of Quebec by the premier of the province of Quebec to the effect that members of the Liberal opposition are not yet aware that we are here, in this federal parliament, to deal with federal matters. It is high time the Liberals stopped proving, here in this house, that statements by the Quebec premier are outlandish or are just so many senseless promises. It is also high time that our Liberal friends stopped playing politics in this house for the benefit of Mr. Lesage, their branch manager in Quebec.

Mr. Chairman, I am sorry I cannot see eye to eye with the Minister of Veterans' Affairs on the matter of winter navigation. Quite candidly, I am sorry I cannot agree with him in the matter, but I cannot let his statement go on record without rising in protest.

(Text):

Mr. Pearson: Mr. Chairman, having regard to the hon. member who has just spoken and having regard to the statement made by the Minister of Veterans Affairs, which discloses a shocking breach of cabinet solidarity on a very important matter, may I ask the minister directly concerned whether he has any comment to make on this, in the light of the statement which he had previously made, which has been put on the record again this morning and contradicted by his colleague?

Mr. Hees: If the Leader of the Opposition had been in the house when I was dealing with these estimates about a week ago he would have heard the very clear discussion that went on. My position and the position of the government were made very clear indeed. I do not think it is necessary to do so again. He can look back in *Hansard*. It is all there to be read and understood, and I think he can understand it very clearly.

Mr. Pearson: I read in *Hansard* what the minister said last week, but I am asking him now, in the light of what has been said this morning by his colleague, whether he has anything to add to what he said.

Mr. Hees: No, Mr. Chairman.

Mr. Fisher: I think it is rather unfair for the Minister of Transport to be chippy in this way about his position on the St. Lawrence seaway. I think he was quite clear last week; I think he told us he was not going to encourage any development which would have a bad effect on any part of the country. Now, I think that is one principle we can all understand; certainly socialists can understand it. The only doubt that rises in one's mind in this regard is something that I should like to put to the Minister of Veterans Affairs. He has been a long time in this house and a long time member of the Conservative party, and is aware of its principles and the things it stands for.

It seems to me that one of the principles that may be in conflict in this situation that we tend to agree with, as enunciated last week, is the principle of business efficiency and national interest, getting things moved at the lowest possible cost to the shipper and to the receiver. This, it seems to me, is the question that we could perhaps ask the minister from New Brunswick and also the minister in charge, as to whether they think it is even worth while to determine the relative saving that may be possible through winter shipping out of Montreal and Quebec and strike some kind of economic balance. It seems to me that such a move and such an analysis would be more in keeping with the free enterprise principles of the party than this rather socialistic principle that was advanced last week by the Minister of Transport.

It is from that academic point of view that I should like to have an opinion from the minister from New Brunswick, and I should also like to have some assurance from the Minister of Transport about this conflict, which I think he knows exists within his own party among his own party members. I think it is always nice to have a conflict going on within a party. We know there is a conflict within the government party. There probably is one within the Liberal party on this matter, or between the Liberals in Quebec and the Liberals in New Brunswick and Halifax.

What is the suggestion? What is the way out of this contretemps? Quebec wants winter

navigation. The minister says it should go so far and then no more, because it is going to be a great disadvantage to Halifax and Saint John. How do you resolve this kind of contretemps? It seems to me that one of the first things we need to do is to find out just how much potential shipping there is for winter carriage to Quebec that would be taken away from Halifax and Saint John. We need to find out whether it is worth while in terms of cost to move this shipping in that way. I should like to know very much from either of the ministers what their views would be on this kind of program.

Mr. Brooks: I should like to make it very clear that there is no controversy between the Minister of Transport and myself. I agree entirely with the statement which was made last week by the Minister of Transport. As far as the hon. member's academic question is concerned, I am not a theorist at all. I know it is of great practical benefit to the maritime provinces to have our winter ports in operation as they have been since the days of confederation. We are very jealous indeed with respect to anything which might interfere with what we consider to be and to have been our rights ever since the days of confederation. That is the only comment I have to make.

(Translation):

Mr. Bourget: Mr. Chairman, I should like to add a few words to what has just been said by the hon. member for Chambly-Rouville (Mr. Johnson) to the effect that we, in this house, are given to deal with matters which are a provincial responsibility. May I tell him that if any of us used provincial politics to get elected, they are the Conservative members in this house.

Mr. Chairman, I find it strange that members who got elected in the province of Quebec on the claim that they would recover Quebec rights do not stand up now to repeat in this house what they said on the hustings in the election campaigns of 1957 and 1958, about winter navigation, a matter of special concern to the Quebec area.

It has now been shown that winter navigation to the port of Quebec is possible, because 22 ocean-going ships did get there.

I am now wondering why the minister has changed his mind on this matter? As a matter of fact, in conjunction with the hon. member for Laurier (Mr. Chevrier), in this year's debate on the speech from the throne, I quoted parts of a speech in which the Minister of Transport (Mr. Hees) said the government would do everything in its power to insure winter navigation, not only to north shore harbours, such as Baie Comeau and Sept-Iles, but also to Quebec.

The hon. member for Quebec East (Mr. Tassé) was a great promoter of that idea in the Quebec area when he was in charge of the metropolitan office, as evidenced by the many excerpts I have quoted from the talk he delivered in Montreal in 1959. Why does he not rise today in defence of the interests of Quebec city? Why do the ministers from the province of Quebec remain silent, particularly when they see their colleagues from the maritimes quite rightly looking after the interests of their area, why do they not rise in defence of the interests of Quebec?

Mr. Johnson: Mr. Chairman, I rise on a point of privilege.

Mr. Bourget: When you hear the premier of Quebec, Mr. Barrette, say he will build not just one, but two icebreakers—

(Text):

The Deputy Chairman: Order. What is the hon. member rising on?

Mr. Johnson: A question of privilege.

Mr. Chevrier: What is the privilege?

An hon. Member: You will find out in a minute.

Mr. Pearson: You will find out there is no question of privilege.

(Translation):

Mr. Johnson: The hon. member for Levis (Mr. Bourget) stated that no Quebec Conservative member had protested against the intervention of the Minister of Veterans Affairs (Mr. Brooks). Well, Mr. Chairman, I must say I did intervene to object to the opinion expressed on that matter.

(Text):

The Deputy Chairman: Order. That is not a matter of privilege but a matter of opinion.

(Translation):

Mr. Bourget: Mr. Chairman, I am not an expert in constitutional law, but I have been sitting in this house for twenty years already —of course there are others too, who have been sitting here longer than I have and I cannot recall the federal government having left to the provinces the responsibility of looking after navigation on a navigable river such as the St. Lawrence.

Besides, as I said a moment ago, before the election, winter navigation up to Quebec had been promised and now, in order not to do any harm to some other part of the country, it is said that icebreakers cannot be built.

That new attitude on the part of government members is rather strange; it was not the one they took before the election.

I hope the Conservative members from the province of Quebec will rise in their places here, or that the ministers will speak up in the cabinet, in defence of Quebec rights.

I am not opposed to the interests of other provinces. Besides, as the hon. member for Laurier (Mr. Chevrier) said, in reply to the question put to him by the hon. member for Charlevoix (Mr. Asselin), we want every part of Canada to benefit from federal government grants to each province. That is our view.

It is not a matter of being unfair to anyone, but to help the various areas that need help. As I see it, you cannot stand in the way of progress, and I ask the hon. member for Quebec East to keep that in mind.

Did we oppose the dredging of the St. Lawrence to stop ships with deeper draught to sail to Montreal? We did not—no more than we opposed building the St. Lawrence seaway. In my view it is a matter of logic. It would be illogical to object to further technical developments being of benefit to Quebec city, and perhaps later even to Three Rivers and even to Montreal.

That is, Mr. Chairman, the situation which I wanted to point out, and I hope that the minister will reverse his decision and not let the provincial government build one or two icebreakers that would cost about $12 to $15 million each and cause us to lose the $25 million we recovered through university grants.

Once more, I ask the minister to reconsider the matter more particularly as it would be of assistance to the shipyards in Lauzon, Sorel, Montreal or elsewhere.

I ask him to consider the question in the light of facts, in the light of what happens during the winter. I am sure that the people in the district concerned would appreciate it.

(Text):

Mr. Hees: Mr. Chairman, if I may answer the hon. member who has just spoken, he has referred to what went on last winter in the port of Quebec. As he will know very well if he has followed the figures with respect to shipping in and out of that port, there was a very large and important increase in shipping at the port of Quebec last winter. A great many more ships reinforced against ice are being built especially for this trade, and that is having quite a marked effect. My department came to the aid of any ships that requested aid during the winter if they were held up in the ice.

I think the department followed the proper course during the past winter. As I say, the port of Quebec benefited very materially by a marked increase in winter shipping, as the hon. member will know if he has examined the figures. I see a very promising future for the port of Quebec, which is what we would like to see for that port and all other ports in Canada. If the hon. member really thinks the matter over I believe he will agree that what the federal government is doing in this regard is to follow a sensible policy having in mind its obligations to all parts of Canada and all ports in various provinces of Canada.

Mr. Pearson: Mr. Chairman, it is a little difficult to discuss what the policy of the Canadian government is in this matter because of the division between two members of the cabinet which has been made so clear this morning. The Minister of Transport has put on the record that it is the policy of the government to keep the river open in winter as far as the port of Quebec. Then there was the statement this morning by the Minister of Veterans Affairs that that is not his policy. When we brought this contradiction to the attention of the two ministers, the Minister of Veterans Affairs got up a second time and said there was no contradiction between them. Now the Minister of Transport tells us about the policy of the Canadian government. It is the policy, perhaps, of one minister but apparently not the policy of the other minister; so our confusion in this matter, Mr. Chairman, is understandable.

Mr. Hees: I should like to say that there is no difference of opinion at all between myself and the Minister of Veterans Affairs, who takes a serious view of the affairs of his province and the welfare of the maritime provinces generally. He and I are in agreement, and I think if the Leader of the Opposition will read what I said when my estimates were up a week ago and read what the Minister of Veterans Affairs said, he will see very little, if any, difference. I do not think there is any difference.

I should like to ask the Leader of the Opposition, since he seems to have taken an interest in this matter, and since it is obvious that a concerted effort to keep open the St. Lawrence river for winter navigation at great cost to the federal government would undoubtedly take trade from the maritime ports

—because after all there is just so much trade coming into Canada by water during the winter months and if it goes into the port of Quebec it will be taken away from the ports of Halifax and Saint John—is his party in favour of taking business from two ports in Canada in order to favour one?

Mr. Pearson: Mr. Chairman, the minister has asked me a question. I would remind the minister that his estimates are being considered and it is the policy of his government in this matter which is being considered.

An hon. Member: Answer.

Mr. Pearson: When the government or any minister gets into difficulty, as he is now, it seems the only recourse is to say, what would you do? The minister has just indicated that there is only so much trade to go around and we must be very careful to divide that equitably among the various ports. I would tell the minister that if there was a Liberal government in power there would be enough trade to go around and keep the St. Lawrence river open in winter, without interfering in any way, shape or form with the maritime ports.

An hon. Member: Why didn't you do it?

Mr. Pearson: We did that. During the years we were in power trade increased; year by year port business increased, and now the minister says there is just so much trade to go around. The minister says there is no difference between him and his colleague the Minister of Veterans Affairs. I ask him to read the record of what has gone on this morning and then say there is no difference. The minister says we will keep the St. Lawrence open in winter down to Quebec, while the Minister of Veterans Affairs quarrels with the use of icebreakers for that purpose and asks whether we have any constitutional right in this country to use icebreakers to keep the river open to Quebec.

Mr. Small: On a point of order, Mr. Chairman; I ask the Leader of the Opposition, did the Minister of Veterans Affairs say that? Did the Minister of Veterans Affairs say—

The Deputy Chairman: Order. I cannot hear a point of order. At the moment I just hear a question.

Mr. Howard: We could very well consider moving the parliament buildings closer to the St. Lawrence, and perhaps the heat that is generated might enable us to keep the St. Lawrence open. You know, Mr. Chairman, eventually I believe we will have to get to the point in this house where the Liberal party will have to refrain from telling the house how good things were under their regime, and the Conservative are going to have to stop slamming the Liberals for the things that were not done when the Liberals were in office. We will have to deal with the various items on their merits rather than have this petty bickering that goes on back and forth between the parties as to which one is most beneficial for Canada.

Apart from that, I should like to mention a matter that is of concern to the west coast, where we do not have the St. Lawrence seaway. It is a matter of local and personal concern, and is a matter of which the minister is aware. I have a copy of a letter dated December 18, 1959 to the Minister of Transport from the Prince Rupert fishermen's co-operative association. This letter contains a resolution that was passed at the annual meeting of the association last year. It makes reference to the establishment of range lights in place of spar buoys in Metlakatla pass. This was forwarded to the minister, and subsequently discussions were entered into among the Prince Rupert co-operative, the minister and myself.

The minister replied to the Prince Rupert fishermen's co-operative under date of January 26, 1960. The letter is addressed to Mr. Harding, secretary of the board of directors, and I should like to read a part of that letter:

> We have investigated the possibility of installing range lights to assist passage through Metlakatla pass as requested at the annual general meeting of your association. It is proposed to install a set of range lights on the east side of Venn passage and another set on Dundas point. In addition, we will install two additional lights on dolphins off Venn pass in Shkgeaum bay.

Then he goes on to indicate that a vessel entering from seaward would pick up certain lights, and so on. He says it is expected that when these new aids are installed, night navigation through the pass will be facilitated. The interesting part of this letter is that there is a footnote at the bottom which says, "carbon copy to A. D. Vance, Esq." and a carbon copy to myself. Frankly, I do not care whether the minister mimeographs his letters and sends them to people all over the country; that is entirely his business. However, I would point out that A. D. Vance was the Conservative candidate in the electoral district of Skeena in 1958. I just wonder whether this indicates a policy of this government of maintaining a liaison with every constituency in the country through members of the Conservative party, and especially through candidates of that party who were defeated.

I would point out that I communicated with the Prince Rupert fishermen's co-operative with a view to ascertaining whether Mr. Vance had some association with the Prince

Rupert fishermen's co-operative which would occasion this letter being sent to him. I was advised by the co-operative that Mr. Vance had no connection whatever with the Prince Rupert fishermen's co-operative, neither with respect to the range light question nor in any other way, for that matter.

Prior to the date of that letter the minister wrote to Mr. Harding of the Prince Rupert fishermen's co-operative regarding another matter. It was about the question of tenders for an airport at Digby island, indicating that they would be called and so on. I understand they have been called and that tenders have been received within the last week or two for the terminal building there.

On February 5 the minister wrote again to the Prince Rupert fishermen's co-operative association and he dealt then with the establishment of a light on the south end of Williams island, another navigational aid, indicating that the request has now been investigated and that it seems that a light would be most useful to vessels using Lewis passage and that it is proposed to establish that light at the first opportunity this summer. Then on February 24 the minister wrote to me with regard to other things and stated:

> —and I am indeed sorry that I neglected to send you copies of my letters to the Prince Rupert fishermen's co-operative association, with regard to Williams island and Digby island.
>
> At the time I sent copies to Mr. A. D. Vance, defeated candidate at Prince Rupert, but overlooked keeping you posted.

Of course it was most kind of the minister to write me this letter, and I appreciate his eventually getting around to keeping people informed as to what has occurred. As I said, I do not care whether the minister has these letters mimeographed or printed and sends them wherever he wants to send them. That, of course, is his business. I have no complaint about keeping Mr. Vance or anybody else informed about what activities are transpiring either there or anywhere else. But it seems to me that this is a practice which is not isolated or confined to the Department of Transport because last year, Mr. Chairman, you will recall that we had another instance.

While this is another subject matter, still and all it is the same individual, the defeated Conservative candidate, who is involved with respect to the building of the Royal Canadian Mounted Police barracks on the Queen Charlotte islands. When I attempted to discover from the Minister of Justice whether any communications had been entered into between Mr. Vance and himself and so on, I was unable to get that particular information although, according to information in Prince Rupert that was made available to me—

Mr. Broome: I rise on a point of order. We are really not on the R.C.M.P. estimates. I think the hon. member has made his point.

Mr. Howard: Yes. When I started I said that while this was another subject matter, the same individual is involved. I merely mentioned that as an aside and to indicate that this practice of maintaining liaison with the defeated Conservative candidates is not concentrated in the Department of Transport but exists or has existed, to my knowledge, in other departments.

I do not want to go any further than that into the matter. The point is, Mr. Chairman, that if this is the manner in which a government is going to maintain its relationships with communities—that is, to maintain them through its own party structure and organization—may I say that I do not think this procedure is conducive to the welfare of those communities or to the welfare or interest of the government, and I believe it is not in keeping with our concept of a democratic government.

As I said, I do not complain one bit about the minister writing to Bill Vance or to anybody else, so far as that goes, about these matters. However, I would not want to see this practice—and I raise the matter only in this way—develop into an arrangement such as that which has existed in the past under other governments, where the entire public service functions, operates and is channeled through a political party organization rather than through the elected responsible members and organizations in the community.

The Deputy Chairman: Order. I think the hon. member has made his point with reference to this item, and I do not think he needs to go into the procedure of other departments. Shall vote 410 carry?

Mr. Fisher: I should like to ask the minister a question in relation to the administrative thought that has been given to the possibility of dividing up the agency jurisdiction that I believe now runs from Parry Sound northward to the head of the lakes. I should like to know what would be involved in terms of cost of administration.

Mr. Hees: This matter of agency boundaries is still under consideration, but no decision has been made as to any change.

The Deputy Chairman: I recognize the hon. member for Richelieu-Vercheres.

Mr. Fisher: I should like something further in the way of information from the minister on that matter. The northwestern Ontario chambers of commerce put forward a representation to the minister a few months ago

in this regard. I was wondering on this subject whether there were any other representations of which the minister or the deputy minister knows, and what factors are taken into account.

What I mean is this. I can sympathize with the chambers of commerce. They think we would have better service if we had an agency at the lakehead. What is necessary in order to get an agency at the lakehead? Should the harbour commission make a request? Has the harbour commission made a request? Another question is this. What would be the advantages of having it at the lakehead and what would be the cost to the government of setting up a new agency? Have there been any changes in the traffic pattern out of Parry Sound?

Mr. Hees: This is basically a matter of operation. Some representations have been made. I believe the hon. member for Kenora-Rainy River made representations as well as some other people. These representations are all being considered. However, no decision has been arrived at yet.

Mr. Fisher: Mr. Chairman, I want to raise a matter that probably has more general application, and I think it is suitable to do it here. I have written letters to several ministers in this government complaining about the inordinate length and detail of their annual reports, and the fact that they have in them far too much information. I do not know what has gone into the gradual pruning down of this report over the years, but the situation has come to the point that in the annual report of the Department of Transport we get very slight information. I think every hon. member, in reading the annual report, likes to correlate it to the estimates, both in their item form and in their detail. On this particular matter here, where we have a vote for administration, I doubt whether we have a total of more than 250 words of information in the annual report. I do not want to go to the extreme of advocating a great deal of detail. However, what consideration has gone into this matter so that we wind up with such a slight source of background information?

I should like the minister to remember that he has one of the biggest and fastest growing departments. It is certainly one of the biggest spenders. Can we not get a bit more information? I should like to find in the report something about these agencies, shifts, changes and that type of thing. Perhaps it would be possible each year to concentrate upon a different part of the minister's department and to give more details. We know what the Department of Northern Affairs and National Resources has been doing recently in its annual report. It has been taking a section of the department activities and blowing them up in detail. I wonder whether we could have the minister's comment.

Mr. Hees: We used to produce an extremely lengthy and detailed report, and there were many criticisms of that report because it was too detailed and too lengthy. In order to try to meet those criticisms we have now produced a shorter and more concise report. However, the hon. member finds fault with it. We would really appreciate it if at any time the hon. member would come and see my deputy minister or any of our officials and make suggestions, which we would welcome with regard to how the report could be better done. At any time that he or any other hon. member wishes any information on any subject that is handled by my department, as I think he and all other hon. members know very well, they are welcome to come to the department. I will send them to the proper officials and will endeavour to get any detail on any matter that any hon. member of parliament wants to know about dealing with my department.

The Deputy Chairman: The hon. member for Richelieu-Vercheres.

Mr. Fisher: May I just follow up—

The Deputy Chairman: Order. I recognized the hon. member for Richelieu-Vercheres because I thought he was going to follow the hon. member for Skeena with a question. The Chair recognizes the hon. member for Richelieu-Vercheres.

Mr. Cardin: While listening to the discussions which have been taking place on this very important matter, I was struck by the fact that we are going into a situation which in the past has proven to be very delicate indeed and very controversial. What is happening now is this. According to section 91 of the British North America Act, navigation and shipping is definitely within the federal field. Within the past few days the province of Quebec has announced that it intends, according to speeches we have heard from the premier himself, to enter into the field of icebreaking in the St. Lawrence river, and in so doing it is coming to the help or aid of the federal government. As a matter of fact it is assuming a responsibility which comes definitely within the federal sphere.

This is a situation which is very similar to that of some years ago when the federal government, after being asked by the universities, aided the universities in the province of Quebec; where one level of government was helping out the other level of government. The hon. member for Chambly-Rouville stated that what we were trying to do here was deal with a question of policy.

It appears to me that if we analyse the reversal of policy which the hon. member and other members of that group have followed, that is where you can really see the political interests.

What is happening now is rather extraordinary. The provincial government of Quebec is now helping the federal government to assume its responsibilities in the matter of shipping and navigation on the St. Lawrence river. I am rather anxious to hear some of the hon. members opposite try to explain why so many accusations were made in 1951, and why the government of the province of Quebec now proposes to assume a responsibility which definitely comes within the field of the federal government.

Mr. Hees: In answer to the hon. member's question I would like to point out to him that this government controls and regulates shipping. We are required to regulate but not to operate shipping. Any private company can operate an icebreaker in our navigable waters, and many private companies do so. May I cite two examples which come to mind; the paper company at Bathurst, New Brunswick, and the Canada Steamship Lines at Midland. Other companies also operate icebreakers. There is no objection to any company operating an icebreaker or to a provincial government operating an icebreaker.

Mr. Chairman, I find it very hard to understand the hon. member's objection to a very progressive and constructive step which has been proposed by the premier of Quebec to assist shipping—

Mr. Cardin: And to assume federal responsibilities.

Mr. Hees: It is not a federal responsibility at all. It is a responsibility which can be assumed by the federal government, a provincial government or a private company, and as I have stated many private companies do this kind of work for themselves. What the hon. member is trying to do, as I see it, is to object to progress being made by the very progressive government in Quebec headed by Premier Barrette, who I believe has made a very progressive suggestion indeed. I find it hard to understand why the hon. member objects to this very progressive suggestion and policy which would assist shipping in his own province.

Mr. Cardin: The minister cannot take objection to any words of mine so far. What I have been trying to bring out is the fact that the government, and particularly those members from the province of Quebec, had a completely different idea of what the constitution meant in 1951, and it is a complete reversal of policy.

Mr. Hees: Mr. Chairman, all I can say is that if the province of Quebec wishes to operate icebreakers it has a perfect right to do so, and it is a further example of the very progressive attitude adopted by that very progressive government.

Mr. Deschatelets: If I can follow up the remarks of the hon. members for Richelieu-Vercheres, I would like to ask a question of the minister. If navigation on the St. Lawrence river in Quebec is kept open by icebreakers owned by the Quebec government, can the minister say whether in such case the federal government would maintain the buoys and other facilities relating to navigation, and also say which government would bear responsibility in case of damage?

Mr. Hees: I would like to point out to the hon. member that we do now maintain buoys for winter coastal shipping. If navigation is to be extended in any area of Canada, why naturally we would be very glad to look into the whole situation and carry out the same progressive policy that we have maintained over the past three years in this and other fields.

Mr. Howard: I would like to add a word or two to what the hon. member for Port Arthur said about the annual report of the Department of Transport. I know there are agencies under the department, such as the Canadian maritime commission, which make their own annual reports which go into quite some detail, and I am sure that what the minister has said about this is quite true. It has always been the case that any member of parliament who may want to inquire in the most extreme detail into activities within a department may do so, but the circulation of the report of the Department of Transport is confined to members of parliament. Other people may obtain the report from libraries, and it is referred to quite regularly by interested people. It would seem to me that some expansion of detail and explanation of the activities of the department in its annual report would be beneficial.

The minister said, as I understood it, that there were in the past extensive departmental reports but that representations were made to the effect that these should be curtailed, and that there should not be so much detail and volume to the reports. As a consequence this report was cut down to the information contained in it at the moment.

Mr. Chairman, I would submit that there should be quite a bit of expansion of the detail in the departmental report, and I hope

the minister will take that matter under consideration and perhaps in subsequent departmental reports expand them quite a bit. Offhand I would say that on quickly reading through this report I can find no reference to the item we are now dealing with, aids to navigation, outside of radio aids to navigation, which is on page 11. So far as canal services are concerned, under the marine section, the only reference I can pick out quickly is that relating to navigation schools. In the marine section the only portion I can pick out accurately is that on navigation schools which, it points out, are wholly maintained by the province of Quebec and so on. As far as navigation is concerned, I think this report has been pared to the bone. As a matter of fact it scrapes away at the bone, too.

Mr. Hees: I should like to say that we do prepare supplementary reports on the work of all branches of my department, and these were not tabled simply because of the criticism we have received in the past about the tabling of too much material. If the hon. member wishes, however, we would be glad to table these supplementary reports next year. We want everybody to know about what we are doing in the department. I may say we have had a considerable increase in the demand for the shorter form of our report, but we do not wish to deny any information. Next year we shall try tabling the supplementary reports and see if we can somehow please everybody.

Mr. Pickersgill: I have a question to put to the minister in the light of what he has just said. He said the department was anxious to table all possible information in order to please everyone—

Mr. Hees: I said I would give all possible information.

Mr. Pickersgill: All right. Well, there is some information we would like very much to have, and despite anything that may have happened I would very much like the minister to table some of these harbour studies which he boasts so much about, so the representatives of the public may see them.

Mr. Hees: Well, the hon. member knows that these are privileged documents.

Mr. Pickersgill: Secret studies.

Mr. Hees: They are very useful studies. If the hon. member wants to check with us about any particular harbour I will be glad to talk to him. We want to give out as much information as possible.

Mr. Pickersgill: That is all very well, but I was not speaking just for myself but for the taxpayers. These studies are paid for by the taxpayers. There can be no military secrecy about them, and I would like to know what the minister is trying to hide.

Mr. Hees: As the hon. member knows perfectly well, I am not trying to hide anything. The facts that come out in these reports have a very marked bearing on the future of any individual harbour. In these reports we discuss in detail what could be done, what could not be done, why we think a thing could not be done, and so on. The people who have asked us to help them are not anxious to have this information about their particular harbours made available to all other—and competing—harbours. It would not be fair to them. We are anxious to help all the harbours of Canada to do the best job they can, and they have indicated to us that making this kind of information available to their competitors would hinder their progress rather than help.

Mr. Pickersgill: I am surprised that the minister should say these studies are going to hinder the development of the harbours.

Mr. Hees: All the hon. gentleman needs to do is ask any of the harbour commissions or municipal governments of the 29 harbours with which we have worked since we took office, and I think he will find that they consider these studies to be helpful and useful.

Mr. Chevrier: I can tell the minister of one case where they do not think much of the report.

Mr. Hees: Where is that?

Mr. Pickersgill: That is a secret.

Mr. Howard: A further word on the subject of the supplementary reports. I take it that, for instance, there are reports on marine services, canal services, railway and steamship services and so on. Is that the way they are broken down?

Mr. Hees: Yes. One deals with marine services, one with meteorology, one with telecommunications and so on. If the hon. member would inform me at lunch time what he would like to have, we will see that he gets it.

Mr. Howard: Again, it is not a question of what I would like to have. The minister has indicated that it is the practice to provide members of parliament with as much detailed information as possible concerning what is taking place in the department. That is fine and dandy, but there are more people concerned with all this than just the members of parliament. I assume these reports are not supplementary in the sense that they come along after the annual report has been

prepared, and cover the different periods. I assume, for instance, that the minister has the so-called supplementary reports for the fiscal year ending March 31, 1959 available now. I think these should be distributed along with the annual report, so that by the time the estimates of the department are dealt with members would have an opportunity to go through them and become familiar with the information they contain.

Mr. Hees: I assure the hon. member I am taking his suggestion very seriously. We gave, on past occasions, what many people considered to be too much information. The report was too bulky. We cut it down to try to please the people of Canada and members of parliament. Now, according to the hon. member, people are not pleased, they want more information. Well, next year we will give more information. I hope to have information this afternoon as to just what supplementary reports are available at the moment. If some reports are not available now they could be made available soon. They will be sent to anyone the hon. member, or any other member, wishes. We are trying to be as helpful and constructive as possible.

Mr. Carter: Did I correctly understand the minister to say a while ago that no consideration was being given to the revision of agency boundaries?

Mr. Hees: No. May I correct the hon. member? We are considering possible changes in some agency boundaries, but no decisions have been reached. If the hon. member would like to talk with my departmental officials about particular boundaries in which he is interested we would appreciate the benefit of his advice.

Mr. Carter: I was going to enunciate the principle that in my opinion agency boundaries should be confined within provincial boundaries. There is some overlapping, I know, on the west coast of Newfoundland where certain lights come under the Prince Edward Island agency. That makes administration difficult and complicates the discussion of problems in connection with these lights and other aids. Can the minister say how many agencies there are which cross provincial boundaries?

Mr. Hees: I believe there are two, and there may be a third. We will check.

Mr. Fisher: On this item I think one can discuss railway transportation and the royal commission on transportation. There have been a number of representations made to the commission. Because of his busy schedule I doubt whether the minister has been able to follow very closely the presentations that have been made. The province of Quebec did make an interesting presentation in their argument for extension of marine services. I wonder whether the minister has happened to read those particular recommendations which were made by the province of Quebec. I see he shakes his head.

The brief was presented by a cabinet minister of Quebec, who argued that the only way to solve the problem of the maximum use of Quebec ports with the new seaway was to reduce the closed season of navigation. The brief went on to argue that the costs of the closed season, through having to build up considerable stocks, pay large insurance premiums, lay off hundreds of skilled workers, and so on, were very great to Quebec. The argument, in brief, is that winter navigation is necessary.

The brief went on to argue that there was nothing new in the idea of winter navigation. It even went on to give some indication that the provincial government has been spending funds in order to extend the season. It points out that the Canadian ship *Eskimo* reached Three Rivers in January of 1960. But the conclusion the Quebec government comes to in its presentation is and I read:

> Our ports should remain open for 12 months of the year and this has become necessary for the economic development for the eastern portion of our province in order to reduce the cost of transportation which will profit thousands of Canadian shippers and receivers. The government of this province supports the promoters of navigation 12 months of the year in our ports and in our navigable waters.

In view of the discussion we have had it is interesting to have this on the record. But I wanted to come to one particular point and ask the minister and his officials whether they have this information. The Quebec minister, Mr. Johnson, made this presentation and he said:

> Economists and geographers have calculated the tonnages which can be carried during a typical winter, not only in the port of Quebec, but in all the other ports of the estuary and the gulf, namely Pointe au Pic, Forestville, Baie Comeau and Seven Islands on the north side and Rimouski, Pointe au Pere on the south side.

This brief does not give the figures of the economic savings. The question I should like to ask the minister is, have any of his economists or geographers been involved in these estimates? Are there any studies or reports available in this particular regard?

Mr. Hees: No. I am advised that the lower St. Lawrence development association has made those studies, but there is no connection between them and the federal government.

Mr. Fisher: May I put it this way. Can the minister provide me or other hon. members with any of this material from his collecting

sources? I am not expecting him to have it if his officials have not prepared anything. Can he see that this material and those studies are made available to us if it is at all possible?

Mr. Hees: I am advised that the lower St. Lawrence development association has published two pamphlets dealing with these matters, and just by writing to them the hon. member can obtain the material in exactly the same way the government can. If he wishes we can get it for him, but he can get it himself. If he wants us to do it we will do so.

Mr. Fisher: I will look after that. I ask the minister whether his officials have formed any judgment, favourable or critical, of those studies produced by the lower St. Lawrence development association.

Mr. Hees: No, Mr. Chairman.

Item agreed to.

Aids to navigation—

560. Administration, operation and maintenance, further amount required, $1,376,445.

The Deputy Chairman: Shall this further supplementary estimate carry; it has to do with the same item?

Mr. Howard: I notice the amount is $1,376,000, if I have the right one. Can the minister gives us an indication of what is involved?

Mr. Hees: The main amount in this item is for the removal of the *Federal Express*, which is at present sunk in Montreal harbour, and it is of great importance that it should be removed at the earliest possible moment.

Mr. Chevrier: So far as I am concerned it is carried, but I take it the votes prior to this in the supplementary estimates have not been disposed of yet.

Item agreed to.

Mr. Hees: I wonder, Mr. Chairman, whether we could keep them all together, and whether the committee would be willing now to dispose of all of the supplementaries, of which you have a list, applying to the items already carried so that we can keep current on both the main estimates and the supplementary estimates. Would that be satisfactory to the committee?

The Deputy Chairman: Does the committee agree that we clear up the supplementaries of the main items already passed?

Some hon. Members: Agreed.

Mr. Howard: Is this classified as a further supplementary estimate also?

Mr. Hees: Yes, Mr. Chairman.

[Mr. Fisher.]

555. Departmental administration, further amount required, $68,350.

The Deputy Chairman: This is a further supplementary estimate. Shall it carry?

Mr. Fisher: Just a minute.

The Deputy Chairman: These are supplements of the main items which have passed.

Mr. Fisher: This is a general item?

The Deputy Chairman: That is correct.

Mr. Fisher: On this item we can open up a complete and full discussion of the workings of the department and its activities; is that correct?

(Translation):

Mr. Deschatelets: Mr. Chairman, on this item I should like to make a suggestion to the Minister of Transport (Mr. Hees), and I hope he will be able to follow it up.

During the 1957 session, if I remember well, we voted about $57 million for improvements in Montreal harbour, in order to increase facilities following the development of the St. Lawrence seaway.

Now, I think that at great seaports throughout the world, some thought has been given not only to the economic and strictly utilitarian features but also to the human aspect of those ports.

I think that in the Montreal harbour, the economic aspect has been looked after in accordance with actual requirements.

The time has come to consider the human aspect, and this is the point I wish to make.

When you go down to the Montreal harbour—I like to do so occasionally on week ends—you are looked upon as an intruder and at every turn you are in fear of being asked "What are you doing here?"

I submit that Montreal harbour should be more inviting to Montreal residents and tourists, and I think that we ought to go into this aspect of the problem for a few moments. I think that, with a little imagination, an access could be provided at the foot of Pius IX boulevard for Montrealers and the tourists who wish to admire the natural beauty of the port of the metropolis and breathe a bit of fresh air.

I think it would be advisable at this time, while preserving the economic aspect of the port, to use a few hundred feet of land for a miniature park where Montrealers, especially those who have no summer homes out in the country, could go with their children on week ends, and find some playground equipment and listen to music.

Benches could be placed there for the use of strollers who wish to rest and watch the coming and going of the ships.

A bit of greensward would fit in nicely too.

I think that if the minister referred this suggestion to a landscape engineer, Montreal harbour could be made more colourful and would add to the enjoyment of all who would go there to spend a quiet hour or two. In addition, as I said, it would be a first rate tourist attraction.

Thus, everybody, especially on week ends, could go there for a bit of fresh air and relaxation in restful surroundings.

(Text):

Mr. Small: Mr. Chairman, usually on this subject I cover what is a favourite topic of mine, the matter of railway maintenance and the standard of service provided, particularly at the Ottawa union station. I have been dissatisfied with the service at the station for a good many years, but I do not intend to regale hon. members for too long today. In all fairness I must say that there has been some improvement during the last year at the Ottawa union station. Whether that was brought about by the criticism that was made I do not know, but when you arrive at the station by train now the train is broken up so that you do not have to walk quite so far.

That is a decided improvement, but there is room for a lot more improvement. There is the matter of unloading freight from baggage cars when a train arrives in the station. No doubt passengers getting off cars are kept in good shape through having to duck the motorized lorries that travel up and down the platforms. I suppose that the expediting of the movement of freight is involved, but passengers do get mixed up with the odd refrigerator or radio or box of fruit when it is in season. They become alert in ducking these lorries, and they have to; because the operators do not have any consideration for the passengers who have to get out of the road.

Sometimes I wonder whether all this rush to expedite the movement of freight is necessary. I took the trouble to find out why they had to unload the freight in such a hurry and dispose of it. I followed one of these lorries to find out where it went, and all it did was go from track 2 to track 6 and put the freight on another baggage car for shipment. I though an improvement could have been made by putting the second baggage car alongside the first one, because then they could make a really good job of transferring the freight. I still cannot fathom why they do this. I suppose they consider it is their own business, but after a while maybe they will get around to making some improvement.

The other thing I should like to talk about is what has been referred to as punitive deferral of maintenance. Maintenance is deferred with the result that a certain amount of punishment is probably suffered later. I should like to know how far that practice has gone. I wish to know because last fall and winter a series of very serious accidents occurred, and that is where the question of punitive deferral comes into the picture. Maintenance staffs have been reduced and proper inspection is not being made of rails. Washouts have taken place resulting in a number of appalling accidents.

Have the reduction in staff and punitive deferral had anything to do with this situation? A good many employees of the railway, some now retired but some still connected with it, suggest this is one of the reasons the railway is not operating to the best of its ability, and the reason these accidents take place. A lot of people may say there is no relationship whatever, but the very fact that there have been washouts indicates that there has not been proper inspection. Therefore I suggest that the railways should give a satisfactory explanation of the reason these washouts occurred last year resulting in so many appalling accidents.

Mr. Herridge: Mr. Chairman, I have been very restrained this morning and have contented myself so far with listening with interest to the remarks of other hon. members. But seeing that the gates to the avenue of general debate have now been opened by the introduction of an administration item under the supplementary estimates I am going to take this opportunity to bring to the attention of the house a matter that is of serious concern to my constituents. I do so because on the main administration item I discussed the matter briefly but failed to evoke any response from the minister. I bring the matter to his attention again.

I refer to passenger service on the Kettle valley railway. I simply want to read a very brief editorial and then ask the minister a question. Everyone in the house knows that I never get up and waste time but always deal with something that is of importance with relation to policy or that affects my constituents. The editorial is from the Nelson *Daily News* of Saturday, March 12, 1960. It is entitled "Hammer at Rail Problem"—I have been trying to do that for some years—and reads as follows:

One outcome of the creation of boards seems to be that the government can use them to evade responsibility. In a reply to Mr. H. W. Herridge, member for Kootenay West, Mr. Hees, the Minister of Transport, said that neither he nor the

British Columbia government had the authority to order a resumption of a daily passenger service on the Kootenay valley railway between Nelson and Vancouver.

This leaves the citizens of this area in the unhappy position of having to continue with a totally inadequate rail service until such a time as the board of railway transport decides the matter. In other words, we in the Kootenays are entirely at the mercy of a board over which no one, not even parliament, has any control. Our only recourse seems to be to keep bombarding the transport board with our complaints.

As I said before, Mr. Chairman, I made some representations in connection with this question, which is of serious concern to the people of southeastern British Columbia, and failed to get any response from the minister, which was quite unusual. Usually he is quite ready to reply; in fact he has replied on a number of occasions to much more inconsequential questions than I posed. Is the editorial correct in stating that "our only recourse seems to be to keep bombarding the transport board with our complaints"?

Mr. Hees: Yes, this is a matter wholly within the jurisdiction of the board of transport commissioners.

Mr. Herridge: Then the minister admits he can do nothing to assist us as Minister of Transport for Canada?

Mr. Hees: I have done everything I possibly can. I have drawn the matter to the attention of all the people I can, and that is as far as I can go.

Mr. Campbell (Stormont): Mr. Chairman, I should like to bring up a few matters concerning the St. Lawrence seaway and the present sad state of the Cornwall canal. My reservations about the St. Lawrence seaway and my solicitude for the present Minister of Transport, who has the unenviable job of making it work efficiently, are well known. I have the greatest admiration for the present minister, who has met emergency after emergency with unfailing courage, imagination and ability. He and his colleagues are performing prodigies of technical efficiency in keeping the seaway working as well as it does.

Mr. Pickersgill: Did the minister write that speech?

Mr. Campbell (Stormont): My resentment against those who were responsible for depriving my home town of the canal which flowed by its doors for over 100 years is also well known. The hon. member for Laurier, in his capacity as former minister of transport and former member for Stormont, several months ago had the temerity to tell the people of Cornwall that our city was on the seaway because of some dredging nearby. What monumental cynicism. What kind of seaway is it that has a canal which ends in a concrete wall 80 feet high?

If anybody has any illusions about Cornwall still being on the seaway, one has only to compare the premises of the Cornwall canal with the premises of the Eisenhower lock or even the condition of the Cornwall canal some years ago. The banks of the Cornwall canal are now almost a garbage dump where they used to be a park. The Cornwall canal is now a stagnant backwater where it used to be an international waterway, a window on the world. Before the Cornwall canal was abandoned in favour of the Chevrier waterway it was possible to keep the premises in far better condition. I would still urge the minister, in the interests of employment in the area and the beauty of Cornwall, that more be done to preserve and maintain the canal, even though it is no longer a waterway that is vital to trade.

The hon. member for Laurier appears to have an uneasy conscience as a result of the damage done to Cornwall by the construction of the St. Lawrence seaway locks on the United States side, because several days ago he brought up in this house the matter of pollution in the Cornwall canal about which I had already communicated with the departmental officials. I welcome his interference in my constituency, because I think it is highly commendable that he should endeavour to remedy the ravages done by the seaway. I fear, however, that he may be ignoring his new friends in Laurier, though at least they have the consolation that he is not now in a position, as an ordinary member, to do the same damage as he would be if he were a minister.

The Deputy Chairman: Order.

Mr. Campbell (Stormont): I am proceeding further.

The Deputy Chairman: I would hope the hon. member will come back to the item.

Mr. Campbell (Stormont): Yes, Mr. Chairman. I would strongly urge the minister to ignore any recommendations that the Cornwall canal be closed. It would be disastrous if Cornwall were deprived of what is left of the Cornwall canal. Many men with long service in the Department of Transport would be deprived of their jobs, and the access for occasional ships going to one of Cornwall's most flourishing industries would be cut off if the remainder of the canal were closed.

However, may I suggest that a study be made to see whether it would be desirable to drain a small branch of the Cornwall canal

that was used to service the cotton mills. This particular small branch of the canal is the area which is most subject to pollution. The draining of this part of the canal might eliminate a serious health hazard. It would also provide additional land in the area, and undoubtedly would tremendously enhance the value of property purchased by the Cornwall industrial development corporation. If necessary a new water intake could be provided from the main channel of the Cornwall canal.

There are several fine beaches in the Ontario parks system west of the city, and two large swimming pools are expected to be built in the near future. The question of facilities for swimming, therefore, will not be as urgent shortly as it has been in the past. Another casualty of the seaway is the many cottages on Hamilton's island and Stonehouse point, whose wharves and water facilities have been destroyed by the wash from deep-sea vessels using the narrow channel at excessive speeds.

I have brought this matter to the attention of the department on numerous occasions, and have had several delegations up to investigate it. As a consequence a speed limit has been imposed in this area, and it has done much to remedy the situation. However, occasionally some irresponsible cowboy of a shipmaster ignores the regulation and floods these cottages, causing tremendous damage to the people in the area. I think it is essential, therefore, that some sort of radar device, such as is used by the provincial police on various highways, should be installed in order to impose a check on all vessels using this channel. In this way the owners, masters and, even more important perhaps, the pilots who were guilty of contravening this speed regulation could be severely disciplined.

I have two other brief suggestions to make. The first is of immediate, vital importance, and the other is a more long range proposition which concerns the whole country. I would ask the minister that the $50,000 in the supplementary estimates provided for engineering studies for permanent harbour installations west of Cornwall be used for the immediate construction of modest docking facilities at the site of the Canadian Cottons mill, which was recently acquired by the Cornwall industrial development corporation for rental space for new industry. If space were provided merely for one ship to berth it would be a tremendous inducement to new industry. It would enhance the significance of this purchase of the cotton mill by the industrial development corporation, and would increase the possibility of Cornwall developing new industry as a substitute for the labour loss when the seaway came in and also as a result of the loss of the cotton mill in the area. This is a matter, as I say, which would be of immediate benefit to many people.

I might say, also, that a thorough brief on this matter has been prepared by the industrial corporation, and I expect that shortly the members of that corporation will be able to come before the department and give full details. Even a jetty projecting out into the 27-foot channel sufficiently large to allow one ship to dock prior to proceeding south and west through the United States Snell and Eisenhower locks would be of great benefit. Not only would it replace some of the docking space which has disappeared and be an additional facility for industry, but it would help to develop an increased traffic pattern in the area which would hasten the day when large harbour developments would be economically possible in Cornwall.

I come now to the last matter. If the St. Lawrence seaway was the greatest engineering feat of the century, it contained one of the greatest engineering blunders of all time. As the Welland canal had already reached capacity or just about reached capacity, to construct the St. Lawrence seaway without increasing the capacity of the Welland canal was very similar to increasing the size of a bottle without increasing the size of the neck of the bottle. If the seaway tonnage begins to approach expectations even the minor surgery performed on the flanks of the Welland canal and the increased use of larger bottoms will not prevent congestion.

When the time arrives, therefore, for serious consideration of twinning the Welland canal I would urge the minister to conduct a thorough survey of the possibility of using the old Trent-Severn system as an alternative. If a line is drawn from the head of lake Superior and is prolonged through Sault Ste Marie to the seaway, it roughly parallels the old Trent-Severn canal route—

The Deputy Chairman: Order; it being one o'clock, I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Campbell (Stormont): As I was saying before lunch, Mr. Chairman, despite the tremendous efforts of the minister and his department in increasing the capacity at the Welland canal and despite the increasing use of larger bottomed and greater capacity ships the time will undoubtedly soon arrive,

if the seaway tonnage is to meet expectations, when it will be necessary to give serious consideration to twinning the Welland canal. At that time I would urge the minister that a thorough study be made of the possibility of using the Trent-Severn canal system as an alternative.

If a line is drawn from the head of lake Superior through Sault Ste. Marie and projected eastward it roughly parallels the old Trent-Severn canal route from Georgian bay to the bay of Quinte. This historic waterway is approximately 800 miles shorter than the more roundabout southerly route. Not only would it be shorter, but this alternative route would be all-Canadian and its use would revitalize the fine old logging communities in this area. Part of this area, like the historic old eastern district of Ontario, has not enjoyed the prosperity that is so evident in the rest of Ontario. The economy has gone sour and every effort should be made to sweeten it for both of them.

Instead of spending the astronomical sums required on a second Welland canal the adoption of this route would hasten the day when our dreams of an all-Canadian seaway would be realized and would do a great deal both for this particular area and for the area immediately to the east of it, namely my own area of Stormont.

Mr. Chevrier: I had no intention of speaking on this item again, Mr. Chairman, because I took part in the debate earlier. Were it not for the remarks made by the hon. member for Stormont—the distinguished hon. member for Stormont, I shall call him—I would not have entered this debate. The hon. member has said that one of the greatest engineering blunders of all time was the St. Lawrence seaway.

Mr. Campbell (Stormont): On a question of privilege, Mr. Chairman, may I say that is not what I said? I said it was a great engineering feat which included a monumental blunder.

Mr. Chevrier: If my hon. friend wants to correct himself and say that it is a monumental blunder, that is all right; I will accept a correction. I am sure, however, that the Minister of Transport does not agree with him. I have read most of the speeches on the seaway made by the Minister of Transport and those associated with this great project and they certainly do not support or confirm the view of the hon. member for Stormont.

However, my hon. friend is perhaps annoyed at the fact that the other day I rose to bring before the House of Commons a matter which affected the constituency of Stormont which I represented in this House of Commons, for years, namely the present stagnation and pollution of the waters of the Cornwall canal, a matter to which the minister very amiably agreed to give careful consideration. The hon. member for Stormont probably takes umbrage at that fact. When I feel that the constituency of Stormont or any other constituency requires the services of myself or of some hon. member of the House of Commons on this side, I intend to rise in my place in this chamber and make myself heard, no matter what any other hon. member thinks. I think that is clearly the duty of any hon. member of the opposition.

Prior to the luncheon recess the hon. member for Stormont indicated in effect that I had sold the constituency down the river. His colleague who sat next to him, namely the hon. member for St. Jacques, in a speech which he delivered in this house last year, said that the city of Montreal, because of my presidency of the St. Lawrence authority, received nothing and that everything went to the city of Cornwall. He referred particularly to two bridges that were being built by the St. Lawrence seaway authority as well as a great deal of other navigational work that was being done in that area. Both of those statements cannot be true. The truth probably lies midway between the two.

However, the hon. member for Stormont rose in order to deal with a point about which he forgot to speak. I intend to deal with that matter at this time, namely the fact that there has been a considerable reduction in the flow of the river through the present Cornwall canal. The velocity of the water going through the Cornwall canal has been reduced to about one thirtieth, according to an article which appeared in the Cornwall *Standard-Freeholder* of June 7 of this year. I wish to quote just one short paragraph from it. It states as follows:

> Before construction of the power project, flow of water through the canal has been estimated at 2,950 cubic feet per second. Now only 290 cubic feet per second flow through the valve in the closure structure at the lake St. Lawrence dike.

There appeared in the local Cornwall paper a series of photographs. One shows the picture of the stagnation at Mack's bridge, a swimming hole which young children and youngsters enjoyed for many years. Another picture which appeared on May 31 shows the slimy substance which coats the top of the near stagnant water on the Cornwall canal.

I now show those two pictures to the minister. They may have been brought to his attention already. However, all this goes to indicate that there is not enough velocity of water in the Cornwall canal. A serious problem of pollution is arising. The stagnation of water is a matter of seriousness to

the health of the citizens. I think there is a solution to this problem. If the hon. member for Stormont had been a little bit more careful about what he said and had been a little more studious in connection with the nature of the problem in the area, I think instead of attacking me he would have directed his attention to this problem to which I now intend to direct my attention. I think it is the solution to the problem which has befallen the city of Cornwall at this time.

In 1951 an application was made by the government of Canada and the government of the United States to the international joint commission for the development of power in the international section at Cornwall. At that time the Canadian government agreed to build all the canals on the Canadian side of the line. If that work had been done, this problem, of course, would not have arisen. It was not until 1954, after the United States had passed the Wiley-Dondero Act, instructing a United States agency to build all the canals on the United States side of the line, that in July and August in 1954 there was a meeting in Ottawa of representatives of the Canadian and United States governments, and it was then decided that Canada would build a canal and one lock on the Canadian side at Iroquois and that the United States would build a canal and two locks on the United States side of the line opposite Cornwall.

At that time there was an agreement between Canada and the province of Ontario whereby Ontario was to build and maintain 14-foot navigation facilities. When this agreement was brought about there was, therefore, no longer any obligation on the part of the province of Ontario to fulfil that covenant. However, because of negotiations which took place later between the federal authorities and the authorities of the province of Ontario it was agreed that Ontario Hydro would build a structure in the dike which would be in preparation for future 27-foot facilities on the Canadian side of the line, which are now completed.

It is now that I come to what I think is the solution to the problem that besets the people of Cornwall. Meetings were held by the international joint commission all over the province of Ontario, the province of Quebec and the state of New York to hear objections and protests over the development of these power facilities in the international section. One of these meetings took place in Cornwall on July 25, 1952, and following that and many other meetings held by the international joint commission that commission made an order of approval which approved of the whole project.

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I would just like to read the pertinent part of that order which is dated October 29, 1952; it is a public document and can be seen by anyone. The pertinent part reads as follows:

> Now, therefore, it is ordered that the construction, maintenance and operation jointly by The Hydro-Electric Power Commission of Ontario and an entity to be designated by the government of the United States of America of certain works (hereinafter called "the works") in accordance with the "controlled single stage project (238-242)", which was part of the joint report dated 3 January, 1941, of the Canadian Temporary Great Lakes-St. Lawrence Basin Committee and the United States St. Lawrence Advisory Committee, containing the features described in appendix "A" to this order and shown in appendix "B" to this order, be and the same are hereby approved subject to the conditions enumerated below, namely,
>
> (a) All interests on either side of the international boundary which are injured by reason of the construction, maintenance and operation of the works shall be given suitable and adequate protection and indemnity in accordance with the laws in Canada or the constitution and the laws in the United States respectively, and in accordance with the requirements of article VIII of the treaty.

So if there has been a reduction in the velocity of the water in the Cornwall canal then the remedy lies right there. In this order of approval the international joint commission makes it quite clear that all parties affected on either side of the line by the construction and the operation of the project should receive proper and suitable protection and indemnity.

That is the first clause, but it is to the second clause that I would like to direct the attention of the committee, and more particularly the attention of the hon. member for Stormont so that he can protect the interests of his constituents after hearing this clause read. The international joint commission in the second paragraph of its order stated:

> (b) The works shall be so planned, located, constructed, maintained and operated as not to conflict with or restrain uses of the waters of the St. Lawrence river for purposes given preference over uses of water for power purposes by the treaty, namely, uses for domestic and sanitary purposes and uses for navigation, including the service of canals for the purposes of navigation, and shall be so planned, located, constructed, maintained and operated as to give effect to the provisions of this order.

Therein, lies the remedy of those who complain and complain rightfully of the fact that in the Cornwall canal there has been this reduction in the velocity of the water, that there has been this stagnation and pollution of the water, and that there has been this situation which should not exist.

My suggestion, notwithstanding the very kind offer of the minister to give this consideration, is that he be so good as to bring this matter immediately to the attention of the international joint commission. When I

spoke the other evening I did not know that the section under which I spoke would have been reached so early; otherwise I would have brought this with me. But it seems to me that with the international joint commission lies the remedy. The international joint commission made the order approving of the project but subject to the protection of the rights of the local people, the rights particularly of navigation. They are clearly set out in this order and they cannot be ignored. It seems to me that if those representations are brought to the attention of the international joint commission they will be given immediate consideration.

However, if perchance they are not then I would suggest that those groups and interests in the city of Cornwall who are interested, and I am sure most of them are, need only make a public application to the international joint commission and the commission will I am sure do in 1960 what it did in 1952, that is go down to the court house in the city of Cornwall and listen to the representations which will be made. In the light of this document it is quite clear to me that there should be no difficulty about solving the problem of the proper velocity of water going through the canal in the city of Cornwall.

Mr. Winch: Mr. Chairman, I admit I do not know much, if anything, about the difference of opinion between the previous speaker and the hon. member for Stormont. However, I do appreciate the opportunity which has been given by this administration vote under these estimates to raise a matter which is of great interest to myself, as a member of this house from British Columbia, and a matter of grave concern to Victoria and Vancouver. I would be very appreciative if the minister could give us a picture and an understanding of the allocation of shipbuilding contracts which come under the jurisdiction of his department.

In both the first world war and the second world war the shipbuilding industry of British Columbia was of prime and major importance. From my attendance at meetings of other committees I have learned that the Department of National Defence and the Department of Defence Production feel that the shipbuilding industry of British Columbia and its potentialities are still of major importance to them. Therefore, the Department of National Defence and the Department of Defence Production do have a policy, small as it may be, of letting contracts on the coast.

I am most interested in learning the attitude of the minister toward the construction of vessels under his jurisdiction. I want to be exceedingly fair, as I hope I always am.

During the past few months I have received a great many letters from the unions in Victoria and Vancouver which are connected with the shipbuilding industry making certain points and putting forward certain facts. Having received those letters I felt it was my responsibility to contact certain shipbuilding firms in British Columbia and I want to express my gratitude now for the comprehensiveness of the replies I received from those firms.

As I said, I wish to be fair, so I will point out that I was informed by one of the shipbuilding concerns in British Columbia that over the years prices quoted on tenders have been between 12 and 20 per cent higher than those of shipyards in eastern Canada. The shipyard operators in British Columbia also point out that there are various problems to be considered, one of them being the wage rate in British Columbia. Using the figures which have been supplied to me it appears that a joiner's rate at a shipbuilding yard in Quebec is $1.86 an hour; at Canadian Vickers Limited it is $1.91, while in Victoria and Vancouver it is $2.50. In addition, the shipbuilders in British Columbia point out that they are up against the problem of freight rates on steel and other material which must be sent from eastern Canada to British Columbia.

However, I also wish to draw this to the minister's attention that my information has been confirmed that at the time of the construction of the latest destroyer escort in a British Columbia yard it was stated by a high official in Ottawa that the man-hour production record for construction was the finest in all Canada. So here is the position: the British Columbia yards have the highest wages in Canada, and I would most certainly not recommend that they be lowered; they are up against the problem of additional freight costs for steel and various components which have to be moved across Canada. Then, again, they hold, according to the record, the most productive man-hour rate in Canada. We must also consider that according to the Minister of National Defence and according to the policy of the Department of Defence Production it is in the interest of Canada both in war and in peace that the shipyard industry of British Columbia should be maintained.

In view of this I should like to ask the Minister of Transport whether it is always his policy with regard to the construction of ships, ferries, dredgers or anything else that comes under his control, that the lowest tender should be accepted, or is consideration given to an over-all plan connected with the maintenance of shipbuilding, repair

and construction yards in Victoria and Vancouver? Would the minister be good enough to inform this committee and the members of all parties what the policy of his department is in this regard? Is consideration given to the special situation of British Columbia and, if so, what preference is given, and on what policy basis is it established?

Mr. Hees: We build our ships by tender and award our contracts under the best tender we receive. Our shipbuilding orders are open to any bidder in Canada. If we have a number of ships to build—and on one occasion I think we had six ships building—we may call tenders in various localities in Canada and restrict the tender calls to those areas to try to give all the areas of Canada a chance. Generally speaking, however, we adhere to the tender principle and our contracts are awarded on that basis.

Mr. Winch: It was my understanding that the Department of Transport operates on the basis of the lowest tender. I want to protect the taxpayer just as much as the government does, but we must also maintain a shipbuilding industry on the coast. Does the minister give any consideration, in connection with the awarding of contracts, to the additional cost required to maintain that industry in British Columbia in the interest, as I said before, of having a shipbuilding industry both on the Atlantic and the Pacific coast in war and peace? Does that play any part in the minister's decision as to the allocation of contracts?

Mr. Hees: As I explained, we do not allocate contracts; we call for bids and award the contract to the lowest bidder. However, when a ship is required solely for the west coast we do restrict our tender calling to the west coast, thereby giving west coast shipyards the opportunity to bid.

Mr. Van Horne: I have only four or five little points I wish to make this afternoon. First of all, I want to congratulate the minister on certainly being the greatest Minister of Transport this country has ever known.

I may say the Canadian National Railways in the maritime provinces, and in my particular area, have been in some instances improving their equipment and service. They have also brought down freight rates in some instances to the point where they can now compete with water transport. It was gratifying to note the other day that the steel required for the Campbellton-Cross Point bridge was brought to Campbellton cheaper by rail than it could have been brought by water.

However good may have been the results of the government's new policies in some areas, I have in my riding certain very definite complaints. If all the people in my riding were happy with the C.N.R. I would tell you so. They are not all happy with the C.N.R., and I feel it is also my duty to tell you why. Just the other day the board of transport commissioners approved the cancellation of the service on 11.6 miles of rail from Connors to Clair. This was done by the board of transport commissioners in spite of the fact that we were able to show at the hearing the business on those 11.6 miles of road had increased 50 per cent per year each year in the last three years. This was done also in spite of the fact that the C.N.R., once it decided to cancel service on those 11.6 miles of track, immediately stopped maintenance of the line without having gone before the board to know whether their request would be accepted. In other words, I think in some places the C.N.R. is trying to use the board of transport commissioners as a rubber stamp, and I think in some instances the board goes along with that practice.

I think it was wrong to cancel service on that line, especially in view of the fact that you have a rail line down near a steel mill near Newcastle which cost somewhere in the neighbourhood of $21 million, and it is not in use at the moment. The only use that ever was made of it was to run a few trains down there for the benefit of the public relations department of the C.N.R. In spite of that you have the rail line from Connors to Clair that was built in 1890 and has been in operation for 70 years and in the past three years has shown an increase in traffic of 50 per cent a year, but is no longer in operation. Our people are not happy over the cancellation of service over this line. They have come to depend on that service. I know one furniture factory in particular which is dependent on that particular line to get its furniture from the factory down to the main depot in Edmundston where it can be shipped. This is one complaint.

The next complaint, of course, has to do with the cancellation of train services from Edmundston. I hold in my hand a resolution from the city of Edmundston. This is a very serious resolution. The city expresses itself in very clear language and it is signed by the mayor, Mr. H. E. Marmen, and the city clerk, Mr. Thomas Guerrette. The resolution reads in part:

> And whereas, in addition to travelling to Riviere du Loup by automobile or bus being inconvenient to the residents of Edmundston and surrounding area, it is quite probable and practically certain that on several occasions during the winter months it would be impossible for them to travel to and from Riviere du Loup due to storms and the condition of the roads.

Therefore, when we cancel a rail service in the maritime provinces, especially in northern New Brunswick where I happen to live, which encompasses the constituency I represent, it should not be done on the same principles and on the same bases as services are cancelled elsewhere in Canada because we have nothing else to replace it. We do not have an airport in all northern New Brunswick that could be used in an emergency. When you cancel the rail service from Edmundston to Riviere du Loup you put the people of that area at the mercy of the elements, and in many instances very serious consequences can result from the fact that people cannot get to hospitals, cannot get to specialists, and cannot get the services they pay for. In many instances that service is absolutely needed.

I say it is wrong to take any one particular line and say that because it is not profitable we are going to cancel it. Consideration should be given to the fact that in areas such as mine it is impossible to substitute this service with anything that resembles the degree of speed at which people can get from one point to another on the service provided by the C.N.R.

Another thing I should like to bring up is the fact that the people in Dalhousie, New Brunswick, for instance—I happened to be down in that area the other day and one delegation came to me and said: "Why is it that we have to travel by car almost 20 miles to Campbellton in order to take the train to Montreal? We have to pay a taxi fare of $4, $5, $6 or $8, when only a few miles from Dalhousie there is a station at Eel River at which the train does not stop; only one mile away there is an excellent station where the train could stop."

I do feel that with this area of management coming into being in many areas of Canada, especially in areas like mine, where more responsibility is given to local superintendents in the various towns, the service will increase for the better. I feel that once they can make decisions at the local level the people will be freer to present their problems to the C.N.R. and get immediate and favourable answers to resolutions.

However, there are many complaints at the moment, and when town councils take the trouble to send resolutions to Ottawa—and I must say I appreciate very much the very prompt attention and answer the minister gave to this resolution when it got here—the fact still remains that our people are unhappy about this service, about the cancellation of the service, about the fact that trains are being cancelled. If this line were used and was not producing a certain amount of revenue something could be said in favour of the policies of the C.N.R. The strange thing is that the C.N.R. does not have to go before the board if it merely curtails a service; it goes before the board if it means to do away with the service, as in the case of the Connors to Clair 11.6 miles of track.

For these reasons I feel the board of transport commissioners should be instructed that there should be a policy evolved and it should be made very clear that the board is not in position to cancel these things without taking every means to find out whether an alternate means of transportation will be available. The main purpose of railways away back at the time of confederation was to make sure that there would be transportation in Canada and that there would be a link between the east and the west.

At the time of confederation we had a natural advantage in the maritime provinces, namely cheap transportation by water. We lost that advantage when we joined confederation. We had to substitute that cheap transportation to our natural market in the West Indies and the New England states. We had to substitute that with rail because our markets were changed to central Canada, which did not prove to be successful for the industries of the maritime provinces.

Freight rates continue to be a crippling item in the maritime provinces, but I am very glad to see that the C.N.R. is at last taking some steps here to try to compete with truckers and with other modes of transportation. In some cases their rail rates are down to the point where they can compete today, as I mentioned a few minutes ago, with water transportation.

This makes the building of the Chignecto canal all the more important. If we go back in history we see that at the time of confederation it was very clearly understood by men like Sir Joseph Howe, and others who brought the maritime provinces into the Canadian confederation, that they were surrendering cheap transportation by water which could not be replaced by rail transportation. At that time the building of the Chignecto canal was more than a mere premise upon which our forefathers entered confederation. We have been waiting since 1867 for the canal. I certainly hope, in fact I know, that the studies in progress with regard to the canal will continue. I feel confident that a start will be made on building the canal next year. I certainly hope that nothing will stand in the way of building the Chignecto canal.

It is not good enough to expect the need to be present to the greatest possible degree before the service is provided. It is not reasonable for instance, to expect that a merchant

will have all his groceries on the sidewalk before he builds his store. It is not natural to expect that you will have at this time a full indication of all the traffic that the canal will carry. The need for the canal will become all the more apparent once it is built. It was a promise of confederation and it is something that we have been waiting for ever since.

I am very glad to say that the Campbellton-Cross Point bridge will be completed this year. The Chignecto canal will be built by some government sooner or later, and as the member of parliament from one of the constituencies of the maritime provinces I urge the government to be the one to build the canal. Why should we let another government take credit for the building of the canal? Why can we not realize that the canal has to be built soon or later? Let us do it now. Why further hold up the industrial progress of the maritime provinces?

This link between the bay of Fundy and Northumberland strait would mean a whole new era, a whole new trend in the industrial development of the lower end of the province of New Brunswick. It would also mean cheap transportation by water. It would restore an advantage we had before confederation which was lost with confederation. I do not know of any party that is not in favour of the canal. I do not know of any member of parliament who is not in favour of the canal. I think we have an opportunity now to urge the government to proceed with the expenditure of the $100 million-odd that the building of the canal will require and build the canal now.

We have come to call the canal the Atlantic seaway, to be a natural adjunct to the St. Lawrence seaway. Truer words were never uttered. The Chignecto canal would be a natural continuation of the St. Lawrence seaway. You did not hear the maritime members oppose the building of the St. Lawrence seaway. We felt it was good for Canada. Let no member of the house oppose the building of the Chignecto canal, for it will also be for the benefit of Canada.

Mr. Pickersgill: I wonder whether the hon. member would permit a question?

Mr. Van Horne: Yes.

Mr. Pickersgill: During the course of his rare visits to the house did he ever notice the fact that the hon. member for Halifax has opposed the building of the Chignecto canal with great violence?

Mr. Henderson: Mr. Chairman—

Mr. Van Horne: May I answer the question?

The Deputy Chairman: Will the hon. member for Cariboo allow the hon. member to answer?

Mr. Henderson: Yes.

Mr. Van Horne: You know, Mr. Chairman, it is only when I look at the hon. jack-in-the-box, the member for Bonavista-Twillingate, that I realize why Mackenzie King went across an ocean to get his advice from the ghosts. I was impressed the other day in watching a television program on which a lady from England said that she had tuned in to Mackenzie King.

Mr. Winch: Answer the question.

Mr. Van Horne: I suggest that the hon. member get tuned in to Mackenzie King. I have no doubt that there may be some partisan interests, possibly in Halifax, who would hinder the progress of the whole country by asking the government to apply partisan considerations to a national need. What if the government had listened to partisan considerations in the case of the St. Lawrence seaway? It would never have been built. It may be that a member of parliament may feel that the Chignecto canal would hurt the port of Halifax. I do not think the Chignecto canal will hurt any port in Canada, any more than the building of the year-round port at Dalhousie, which the minister will open in two months' time, will hinder business in the ports of Halifax and Saint John. One of the things we are going to do is to run a line from Bonavista-Twillingate to Dalhousie to make sure that from now on the hon. member gets proper information.

I think it is wrong for members like the hon. member who asked me this question to try to put stumbling blocks in the way of the building of the canal. I dare anyone in the house, especially the hon. member for Bonavista-Twillingate, to get up and say he is opposed to the Chignecto canal. The needs of the maritime provinces are far greater than the little insinuations that the hon. member for Bonavista-Twillingate inserts into this discussion. If I had been in Nova Scotia you can be sure I would have been attending the funeral of the Liberal party, for it was a funeral.

Mr. Pickersgill: Mr. Chairman, on a question of privilege, I want to make it very clear that my position as to the Chignecto canal is on the record publicly. It is that the earliest possible study should be made of the economic and other aspects of the canal with a view to constructing it for the Atlantic provinces if it can be done.

Mr. Van Horne: If it can be done. It has got to be done.

Mr. Pickersgill: Perhaps the hon. member could stay in his seat and not be jumping up and down. I might add that I spend practically every day that the house is in session in my place in the house defending the Atlantic provinces.

Mr. Henderson: Mr. Chairman, I should like to direct a question—well, it is a statement, not a question—to the Minister of Transport concerning the airport at Dawson Creek, British Columbia. This airport is 45 miles from Fort St. John and 85 miles from Grande Prairie. I have had the assurance that one airstrip would be paved and I want to know what progress has been made. In this part of Canada there are no children going to school hungry. It is in the heart of the oil country and the power project at Hudson Hope will bring thousands of people into the area. The Northern Alberta railway has curtailed the number of trips per week. Apparently the passenger business was not paying. I know that I rode back once and there were only three or four passngers on the train. If you want to get home in a hurry you have got to go by airplane. A large number of airplanes are based at Dawson Creek. They belong to the oil companies which are engaged in work there. We have just finished a $2 million hospital there which relies on airplane transportation to bring patients in and take them out. What progress is being made?

Mr. Hees: Mr. Chairman, I will try to remember the correspondence we have had with the municipality concerned. As I recall, the last correspondence was a letter from me to the municipality suggesting that they make a proposition to us to enter into a cost-sharing program for building this airstrip. I should like to check the file but I do not think I have had an answer from the municipality since that time.

As the hon. member knows, we are very anxious and willing to co-operate with the municipality in every possible way. I know very well the tremendous interest that the hon. member for Cariboo has taken in this matter. He has been to see me about it on a great many occasions. He has brought the matter very fully to my attention, and I congratulate him on being a first-class example of a good member of parliament looking after his constituency. I can assure him that we will continue to pursue this matter with the municipality. I will look up the correspondence. As I say, as I remember, we asked them to submit a proposition to us so that we could examine it with regard to a cost-sharing scheme.

[Mr. Van Horne.]

Mr. Henderson: I believe they acceded to your request. I think you have a letter in your file.

Mr. Hees: If I have I will certainly go to work on it right away. If there has been any delay, I am sorry, because it is not fair to the hon. member. He has pushed this thing so hard, and he is doing such a good job for his constituency that I would not like to slow down the progress he has made since becoming a member.

Mr. Granger: I have spoken once, Mr. Chairman, so I will not occupy much time. There is one problem that my district has to which I would ask the minister to give serious consideration, and that is the length of the operational season for Canadian National steamships in Newfoundland. I speak particularly, of course, of my own riding, northern Newfoundland and Labrador. The situation, briefly, is this: Around the end of the year, most of the boats have discontinued operations and in the spring it is usually around May 1 before the Canadian National coastal steamer service resumes operations. In some years, such as this year, the season is further advanced before the boats can operate. I realize that this is the result of climatic conditions over which we have very little control, and that the servicing of the northern seaports during the winter months will always be a problem.

However, I should like to point out here that a good many of these northern Newfoundland and Labrador communities are entirely dependent upon the Canadian National coastal steamship service for receiving food and supplies as well as the carriage of passengers. These people have to put in their winter supplies and hope that they have made sufficient provisions to carry them over until spring. As I said, this is because of the climatic conditions over which we have little control. Fortunately today we do have some control over ice conditions about which, at one time, it would have been impossible to do anything. I refer to the use of icebreakers to supplement the Canadian National coastal service.

I should like to say right here that the icebreaker service in Newfoundland has been such that I have every reason to say, and to believe, that whenever the services of an icebreaker are required in northern Newfoundland the minister's department has given prompt and sympathetic consideration to that need. I know, too, that I am leaving myself open to a charge that as soon as we get one improved service we want an additional service. I am afraid that is true, but that is progress. I should like the minister to look into

the possibility of supplementing the Canadian National coastal service with icebreakers so as to lengthen the period during which the Canadian National coastal ships could operate in northern Newfoundland each year.

Mr. Hees: I shall be glad to look into that. I should like to say to the hon. member that there is nothing wrong in his request for more and more service. He is simply doing a job and being a good member of parliament. We will look into it.

Mr. Herridge: I have been waiting for quite some time to say a few words on item 415 with regard to the inspection of life-saving equipment. I have to leave in a few minutes to attend to a matter in my office, but I think I am in order in saying a few words now. As usual, I speak from experience and not only from academic knowledge of the question.

I have always been particularly interested in the development of life-saving equipment and safety on the water. I will tell you why. A good many years ago I was, in effect, drowned. I was on a boat that sprang a leak and sank under me, along with some other people who were on board, in the middle of a very large lake. At that time I could not swim. The seams in the bottom of the boat opened up quite unexpectedly. I shall never forget the incident because I have relived those minutes often over the years. After the first few minutes drowning was not an unpleasant experience. It was like being lulled into oblivion by listening to hon. members opposite reading their speeches. Fortunately someone on the shore saw what was happening and came out with another boat. I was rescued by Mr. Dan McLean, who had me taken to shore. After the application of artificial respiration for about 30 minutes I was brought back to consciousness.

I trust everyone will realize my interest in this subject since that time. The interesting side of the story, Mr. Chairman, is that Mr. Dan McLean was president of the West Kootenay Liberal association and the Liberal candidate in the election of 1945. I defeated him, and that is how I showed my gratitude to him for his kindness. However, I can truthfully say that I owe the most precious thing, my life, to a prominent member of the Liberal party and I give full credit to him for that.

I noticed that this subject was mentioned previously during the debate. I mention it, first of all, because of my own particular interest and also because a number of groups in my constituency, launch clubs and boat clubs, organizations of that type, are anxious to see water safety measures improved and developed. In our district, and I presume it is the same in all other districts where waters are traversed by small craft, there has been a tremendous increase in the number of watercraft being used. There has been a great increase in speed, and there has been also an increase in inexperience because you get young people particularly, with no knowledge of the rules of the road, on the water and with no idea of how to operate a craft safely and properly. Some people drive these high-powered small craft at speeds of 30, 40 and in some cases even 50 miles an hour, past people in rowboats or other small craft with no idea of the consequences of their thoughtlessness.

I know the department has given considerable study to this question. I remember that in 1958 I received a letter from the very genial deputy minister informing me of a meeting that was to be held with respect to government approval of life-saving equipment for pleasure craft. The paragraph at the end of the letter reads:

> Attached is a short resume of present departmental policy regarding construction, inspection, testing and design.

I presume that refers to the life-saving equipment. Unfortunately I was not able to attend. I would have been glad to attend because, as I say, I am very interested in this subject. There is attached to this letter a document dealing with approved life-saving equipment. This was in 1958. I just want to ask the minister this question: Has the policy of the department changed or have there been any changes since this document was sent to all members in 1958 with respect to the approval of life-saving equipment?

I have one or two other remarks to make. The people I represent have asked me particularly to mention this to the minister. They believe in the need for very strict regulations with respect to water traffic generally, particularly small craft, because it is there you often get inexperienced, unlicensed personnel as the operators. With the increase in size of small craft and the increase in power, we may be coming to a time when we shall find it necessary to have some sort of rudimentary examination to make certain that the people who use these fast vessels, particularly in crowded waters, know how to operate them safely, and that they have a thorough understanding of the needs with respect to life-saving equipment, including life preservers, fire extinguishers and things of that sort. Even today I am on the water quite a lot because I am very fond of the water—that is to ride on it. I have seen over and over again boats being operated without fire extinguishers, without life preservers and things of that sort by people

who do not understand the hazards of operating these small craft without these things.

The other matter I was going to bring to the attention of the minister is this. I have had a number of people who are interested in launch clubs and boat clubs and who are particularly interested in this question, say to me that a special effort should be made to have strict enforcement of the regulations covering this aspect of water traffic. I realize that the Royal Canadian Mounted Police do the best they can. They patrol areas at certain times. They inspect boats for their licences and things of that sort. I also know that they make periodical visits to outlying places where small craft are anchored or used in order to see that they are equipped with life savers, fire extinguishers and things of that sort. They do this to the best of their ability but they can do only so much. They have other duties to perform. You get small craft in considerable numbers operating at some distance from where officers of the R.C.M.P. are likely to be unless they were making a special trip on other business.

In view of the greatly increased traffic and the hazards that go with it, not only to operators of boats themselves and passengers but to people in other boats, I have been asked to suggest to the minister that he give consideration to arranging for special water police in co-operation with recognized organizations—they could be special police under the Royal Canadian Mounted Police—who could take certain rudimentary instruction from the local R.C.M.P. as to the law and regulations and would then be empowered to inspect boats and enforce the law with respect to small craft.

I think that could be done because we had the same sort of thing with respect to our forest service in British Columbia where we had honorary fire wardens and sometimes details of special police having the power and authority of police officers for certain purposes. I think this would be of great assistance in providing the extra personnel necessary, without compensation. I know people who would be willing to do this work and who would be greatly interested in it. At the same time you would secure the co-operation in every district from several groups, shall I say, of rank and file water people who are interested in water sports and water traffic and in the problem as it presents itself today and who consequently would be interested in co-operating with the department in seeing that the law was enforced, not from the point of view of fining offenders and punishing people but from the point of view of informing people and, shall I say, policing them to their advantage and for their own good.

[Mr. Herridge.]

Mr. Hees: In answer to the hon. member's question may I say that the regulations in force in 1958 are basically those that are in force today. There have been some improvements and modifications. We shall be glad to send along to the hon. member for Kootenay West information showing these changes that have been made.

As to the effort to promote safety on lakes and rivers and so on, I dealt with that matter quite extensively when my estimates were up for consideration the last day. I shall be glad to send the hon. member the pamphlet we have produced entitled "Safety Afloat" and also all the other information we have on this matter showing the steps that are being taken and our efforts to co-operate with the provincial police, the Royal Canadian Mounted Police and so on in order to achieve the end that he has very rightly said is a most important one.

Mr. Herridge: Just before the minister concludes, may I ask whether he will express his opinion on the suggestion that it might be worth while considering during the summer months having some sort of auxiliary organization in the form of special police under the supervision of the R.C.M.P. or provincial police to assist in the administration of the law and regulations?

Mr. Hees: I am advised that the R.C.M.P. and the provincial police have been consulted on this very matter and that they are doing everything they possibly can in this regard to bring in the municipal police who, it appears, are the ones who would be best able to deal with this particular matter. We are working on this matter all the time. As I said the last time my estimates were up for consideration, we have yearly conferences with all parties interested in this matter. The suggestions the hon. member has made will certainly be taken into consideration when these matters are further discussed. I can give him that assurance.

Mr. Broome: I do not want to take up too much time of the committee but, because of the speech made by the hon. member for Vancouver East, I think I should say a few words on shipbuilding. I believe the hon. member for Vancouver East was quite fair and reasonable in his remarks. However, it is an absolute fallacy to consider that the Canadian government can keep all of the shipyards in Canada under a full employment picture. There are just too many yards and there are not enough ships to be built. I believe the minister brought out the point that when there were a number of vessels to be constructed for his department tenders were called for those vessels by regions,

recognizing the necessity of maintaining ship repair facilities and drydock facilities both on the west coast and the east coast and in certain areas of the great lakes. I think that is a sound policy to follow. We must maintain these facilities and they cannot be maintained on repair work alone. I would therefore think that the principle of tender by area might well be considered even when there are not a number of vessels to be built.

But that procedure still will not solve the problem of just having too many yards. I wonder whether the minister might consider a suggestion that the Canadian maritime commission might review this problem with the idea of coming up with some plan for, let us say, the replacement of our rather considerable great lakes tonnage which is rapidly growing old, and which includes perhaps not the most efficient carriers in the world, and whereby some concessions similar to concessions made by other countries might be made so that a replacement program for these great lakes vessels might take place. This would relieve the pressures on the minister and on the government with regard to work for the great lakes yards and would then leave a problem mainly for the east and west coasts.

Further, the hon. member mentioned productivity. He was quite fair in pointing out the high labour rates that are paid on the west coast but as an offsetting factor there is a higher productivity figure. Not only were the number of man-hours lower on the last destroyer escort vessel than on any other destroyer escort vessel built in any other area in Canada but I have been informed that the actual cost in dollars and cents was among the lowest and stood up very closely with the best area. In fact, I was told that it was the lowest cost in dollars of the last few destroyer escorts. I cannot vouch for that fact; it is just what I was told.

I think the minister might also consider fire prevention, particularly in the port of Vancouver with the tremendous facilities and the high dollar value involved in the holdings of the national harbours board in that port. Through the national harbours board or through his own department some consideration might be given to underwriting some of the financial costs of this service which is being provided by the city alone, as far as I know, at the present time.

Mr. Winch: On the same point, if I may I should like to say a few words. I am grateful to the hon. member for Vancouver South for having brought us back to Vancouver which is wonderful. However, may I just conclude in this way by talking through you, Mr. Chairman, to the minister? In this last half hour I have been careful in analysing the remarks made or the answers given by the minister to the questions which I raised. It is now apparent to me that there is a differentiation between the policy of the Department of Defence Production and that of his own department in the allocation of contracts for construction or repair of ships, or mostly construction. As I mentioned, from all the information I received as a member of the House of Commons it appears that the Department of Defence Production, through or on behalf of the Department of National Defence, recognizes the essentiality of having a shipbuilding industry in Canada both on the Atlantic and the Pacific coasts.

I understand from the answers of the minister, which have been confirmed by the previous speaker and also by the city of Vancouver, that the policy of the Department of Transport is to allocate contracts on a reasonable basis to the lowest tender. There is a great deal to be said for that argument, but from my own point of view I would like to say that additional consideration should be given to the maintenance of the shipyards on the Pacific coast.

I have no hesitation in saying that it would be a calamity if the shipbuilding industry and repair facilities on the British Columbia coast were allowed to die. The previous speaker said I was fair in giving an analysis of the costs, and I quoted a most lengthy communication I have had from the shipbuilding industry in British Columbia. They find that as a rule they are somewhere in the neighbourhood of between 12 per cent and 20 per cent higher on a competitive tender.

What I have in mind in rising again is to say this. For the general good of Canada this government sees fit to grant subventions to the coal industry in the maritimes, and I am not raising objection to that. This government sees fit to give assistance to the gold mines of Canada, and I am not objecting to that. This government sees fit to grant aid running into millions to certain branches of agriculture, and I have never voted against that yet and I do not intend to. I contend that the maintenance of the shipbuilding industry of British Columbia is for the general welfare and good of Canada.

Because of certain circumstances whereby our shipbuilding companies in Victoria and Vancouver run approximately a minimum of 12 per cent higher, the policy of the government and of the minister's department should be to see that that shipbuilding industry is maintained. I hope that any work which may be undertaken while the present minister is in office will be undertaken not only in light of that fact but that through his department

he will see that the trained personnel we have in Vancouver and Victoria, in all fairness to the shipbuilding industry of Canada, are maintained.

Mr. Chevrier: Mr. Chairman, I rise to discuss another matter at this point. I know time is getting on but I will try to be as short as possible. It has to do with the expressway which will cut through the city of Montreal.

Before the chairman calls me to order I must say at once how it is that I believe I am entitled to discuss this at this time. It is because this expressway, of which I hold in my hand the plans and description, will cut across the lands of Canadian National Railways at the Turcot yards, will go over the Lachine canal and will also require some overhead rights from the national harbours board along the St. Lawrence river. My only purpose in discussing it at this time is to give the house a summary of what it means to the city of Montreal and to ask the minister if he will not give consideration to one or other of the two matters which I want to bring to his attention at the end of my remarks.

"L'autostrade Est-ouest", or the east-west expressway of the city of Montreal, will be a modern route which will allow traffic to move through the central and the most dense part of Montreal in 20 minutes. It will extend from highway No. 2 linking Montreal and Toronto at Montreal west, right through the central and southern part of the city to Moreau and Notre Dame streets, a distance of 8.5 miles. It will be constructed on the ground in so far as the northern part of the C.N.R. at the Turcot yards is concerned for a distance of 2.3 miles, and for the rest of the distance, approximately 6 miles, it will be an overhead expressway. It will allow traffic to move rapidly in divided lanes at 50 miles per hour without traffic lights and it will have in some places six lanes and in others eight. It will have six lanes beginning from Montreal west to Atwater avenue and beginning at De Lorimier street to the intersection of Notre Dame and Moreau. It will have eight lanes from Atwater avenue to the Jacques Cartier bridge. There will be a number of access road connections with the two bridges, with Jacques Cartier bridge lower down and with the Champlain bridge now under construction.

This expressway will furnish modern facilities of entry and exit to commerce, to industry and to the warehouses of the city all along its course. It will facilitate, as I said, access to all the bridges which unite the island of Montreal to the south shore, and it will be a tremendous impetus to the development of commerce in greater Montreal. It will also serve in a special manner the great port of Montreal all along its northern boundary. This artery will permit the uninterrupted movement of vehicular traffic which can move and travel at relatively fast speeds.

It will reduce congestion on the central sectors of the metropolitan area by assisting access highway circulation whose destination is not a central part of the city. The plans and the report I have in my hand were prepared by Messrs. Lalonde and Valois, the consulting engineers of Montreal, one of the most distinguished firms in the city, who have done work for this government and, I believe, for the former government. About their ability there can be not the slightest doubt.

There is a plan which I hold in my hand at the moment and which shows the beginning of this expressway shortly west of Brock avenue and thence along the line of Canadian National Railways crossing Notre Dame street into Cote St. Paul then back again on Notre Dame, with an access road to the St. Remi and Atwater tunnels, then following the southern part of the city of Montreal along Commissioner street and going over the property of the national harbours board to Moreau and Notre Dame streets.

This project is not new. I remember that when I held the position the minister now holds representations were made to me by the then chairman of the executive committee of the city of Montreal, not in respect of a project such as this, because it was then only in embryonic form. However, I was approached to ascertain what would be the view of the federal government in so far as federal property under the jurisdiction of the Minister of Transport was concerned, that is to say, the harbour of Montreal and the Lachine canal, which was not then under the jurisdiction of the St. Lawrence seaway authority. Of course, until it was possible to have a detailed plan, such as we have now, it was not possible for the government to outline its position.

That survey and plan has now been made public. It will mean a great deal to the city of Montreal, to its east-west traffic. Whether the construction will have any effect upon the metro system or not I am not competent to say, but I do know that because this expressway will affect three corporate entities of the federal government, the Department of Transport, which reports for these entities in the House of Commons, is keenly interested.

The cost of this project is $117,500,000 made up as follows: construction, $62,800,000; appropriation, demolition and other compensation, $34,200,000; approaches to Champlain

bridge and other works in connection therewith, $12,100,000; approaches to the Jacques Cartier bridge, etc. $8,400,000.

When this matter is determined—and it has not yet been determined, so I understand, by those interested—there is no doubt but that the minister and the government will be approached and there are two things that come to my mind now. The first is that in view of the tremendous cost of this scheme to the city of Montreal it may well be impossible for the city to build this without assistance, and I am wondering whether the minister could not give consideration to making a substantial contribution toward the construction thereof. The alternative is that if in the consideration of the Trans-Canada Highway Act the province of Quebec in its wisdom decided to make this expressway a part of the trans-Canada highway, it could then, by virtue of the provisions of that act, obtain a substantial contribution toward this construction.

The point I wish to make—and I want to make it as clearly as I can—is that this whole matter is not only of vital importance to the city of Montreal and to the metropolitan area but it is also of importance to the interests which the minister represents in this house—to the national harbours board over whose property this expressway will run; to the C.N.R., whose property will be taken in part for the construction, and to the Lachine canal now under the jurisdiction of the St. Lawrence seaway authority.

I believe some 30 or 35 acres of federal property will be involved in this project, and I invite the minister to give his earnest consideration to this proposal, which is of vital necessity to the city of Montreal.

Mr. Howard: The other day I was dealing with coastal shipping on the west coast. Just before I reached the completion of my time I made some slight reference to the question of subsidies and subventions made by the department to Union Steamships and, more lately, to the Northland Navigation Company. There was then an interjection in the form of a question by the hon. member for Vancouver South. I did not hear the remark very clearly at that time, but it was: "Will you go into the matter of their subsidies"? I understood the hon. member to mean, at that time, the subsidies to Northland Navigation, and I replied as reported on page 4497 of *Hansard*:

> The amount is $294,000.

Then the hon. member for Vancouver South said:

> One million dollars is what Union Steamships asked for.

Then, at that point, the chairman intervened to point out that my time had expired. I did not know the full amount of subvention or subsidy for which Union Steamships asked, but I understood it was in the neighbourhood of $600,000 or $700,000, plus an extra subvention which brought it close to $1 million. I know it was a substantial amount.

Union Steamships Limited, which had a virtual monopoly of coastal shipping for a number of years, has now been replaced by Northland Navigation Company which also has a virtual monopoly over coastal shipping on the west coast, although there are other competing firms which interest themselves in shipping by barge and freight but which are not in the business of providing passenger service to the up-coast points.

When the transitional period between the time that Union Steamships were operating under subvention and the time that Northland Navigation Company entered the picture and received a subvention, the department officials, the minister and the chairman of the Canadian maritime commission, then Mr. Odette, were extremely kind and arranged for the hon. member for Comox-Alberni, who is also affected by this shipping problem on the west coast, and myself to sit down with them and go into quite a bit of detail, by the use of maps and other materials, and to point out in each of our respective districts the communities that were involved and the need that existed for providing facilities to those communities.

The hon. member for Comox-Alberni dealt with this question the other evening—I believe it was a week ago yesterday—when the estimates were also before the committee, and he also mentioned the need for better coastal shipping services. I, of course, reiterate the same thing and indicate that there has been a deterioration in and a lessening of the service provided by Northland Navigation Company to the west coast points.

In this regard I should like, if I may, to draw some brief comparison between the subsidies and subventions payable on the east coast with those payable on the west coast. This is detailed in the estimates and I do not think it is necessary to pick them out in detail at the moment. There are a number of companies listed under east coast services which provide services between different points which receive an amount of money somewhere in the neighbourhood of $5,750,000. This is listed on page 563 of the details in the estimates book for the year ending 1961. At a rough guess I would say there are around 20 or so items of subventions listed for eastern local services, and two for western local services. If even a portion of the money

that is paid as subventions to the east coast service, that is, somewhere in the neighbourhood of $5,750,000, or a larger portion than now, were provided for the west coast shipping facilities we might have less cause for complaint along the west coast than we do at the moment, because when you compare $294,500 as the subvention for west coast service with some $5,800,000 on the east coast you can easily see the preponderance of money that goes to one area as compared with the other.

When my time expired the other day I had made slight reference to the fact that there was a degree of politics which entered into the shipping facilities available to the west coast. I believe it was this comment and the reference to Union Steamships that probably occasioned the desire by the hon. member for Vancouver South to go into the subsidies of Union Steamships. There is no doubt that some concern was expressed, there was some disagreement, over Union Steamships having a monopoly on west coast shipping and a monopoly on the subventions. When I first heard of it this complaint was voiced by hon. members associated with the party which is no longer represented here. I refer to members of the Social Credit party. This, of course, tied in with their activities with the provincial Social Credit government in British Columbia. Their complaints were directed against the fact that an honourable Senator in the other place, namely Senator McKeen, was the owner of Union Steamships and also a Liberal, and that there was something underland and nefarious in this type of arrangement.

I do not hold any brief, nor did I ever, for one of those companies over the other, be it Union Steamships, Northland Navigation Company or any other company which might be involved. I am concerned solely and simply with the question of service. There are a number of factors, of course, which have contributed to the decline in service, which I should like to deal with for just a moment. I would point out also that when Union Steamships appeared before the royal commission on coastal trade, it was one of the two shipping companies that wanted to be completely exempted from the provisions of the Combines Investigation Act in its activities on shipping. In its report the royal commission, of course, declined to accept the suggestion of Union Steamships and of the other company whose name escapes me at the moment. The royal commission did not recommend that they be exempt from the provisions of the Combines Investigation Act.

I should like to give the committee in words other than mine an indication of some of the difficulties experienced by one of the up-coast communities by reading a short reference or two from a letter dated January 30, 1960 from Bella Bella, addressed to me and signed by a nurse at the large memorial hospital that the United Church of Canada has at Bella Bella, and also a letter along the same lines from the matron of that hospital. Before I do read it may I say I received a communication from Dr. Darby, from the hospital also, on this same sort of thing. As I said, this letter is addressed to me and reads in part:

re: Northland Navigation Service

I don't know whether I do any more complaining than anyone else in your constituency,—

This is because I received other communications from the same people in the same community at the same hospital about activities of Northland Navigation Company and its discontinuing service over the Christmas period without any notice or without any notification to the Canadian maritime commission. They had written before. The letter continues:

—but we have just been advised this morning that Northland is withdrawing their *Skeena Prince*—

This is one of the ships they have.

—from serving our area. This was supposed to be our passenger service, although frankly, who would want to travel on it, I don't know. Of late months they have been more co-operative about bringing the *Canadian Prince* around this way, but refuse to land at the government wharf, which necessitates going out in a boat to board her. This is all right for someone who is able to jump from boat to boat, but at any time it is not too safe a method of boarding a boat.

I should like to point out what occurs when the steamer stops at Campbell Island or Bella Bella. Often there are hospital patients who either board the boat or leave it at this particular point. With the steamer stopped out in the stream, as it were, necessitating someone going out in a launch to meet it, one can understand the difficulties that are experienced and how unsafe it would be at some periods of the year. It might be perfectly safe on a calm day but those hon. members who know the west coast know that particularly in the fall, winter and spring months the waters can become very rough by reason of storms, winds and rain. There are often winds blowing and a high sea running with turbulent waters caused by tides and so on and conditions are extremely difficult for anyone who has to go out in a small launch to board this particular Northland Navigation Company boat.

Complaints have been made about this matter on quite a number of occasions and I merely make this one reference to the words of this young lady, Miss Betty Wilson, who is a nurse at the hospital, in order to indicate

the attitude and the feelings of the people who live in that community. This is only one of many up-coast communities that are served or not served by passenger steamer service. The answer given by Northland Navigation is that when they took over these contracts from another company the subsidies were paid to provide service to particular points and those points of call are mentioned in the contract. They say it is not economically possible for them to add additional points of call for a variety of economic reasons.

One reason is, of course, the fact that over the last number of years the number of passengers who travel on the coastal boats has been declining with the advent of additional and much faster air services. I remember one trip I made on one of the Union Steamship passenger boats from Prince Rupert across to the Queen Charlotte islands. It was about four years ago and I went aboard the boat about five o'clock in the morning at Prince Rupert. The boat was due to leave at about seven or eight o'clock. I had driven from Terrace to Prince Rupert, which is about a three hour drive, so when I went on board the steamer I got into my berth and went to sleep. I got up at about eleven o'clock or 11.30 and I felt like I owned the ship. It was a huge passenger boat with berth accommodation for 150 to 200 passengers and in walking around I did not meet another passenger on the ship. The game warden and I turned up for lunch and we were the only two passengers on that ship running from Price Rupert to the Queen Charlotte islands, a distance of approximately 100 miles.

This is an indication of the effect that air transportation has had upon the number of passengers travelling on these steamers. When the hon. member for Comox-Alberni dealt with this question the other evening he indicated that there was a problem but he did not know what the solution was. Having concerned ourselves with this matter for some time we have made suggestions to the government about what should be done to develop a better type of shipping service on the west coast. In general terms perhaps I might be permitted to place before the minister again our suggestion as to what should be done.

I would think that the present system of paying subventions to one company or another to provide a more or less haphazard and skimpy service is not good enough. Over the years it has been shown that any attempt to adjust this system has not fared too well. I suggest that a separate crown agency, whether it be Canadian National Steamships or another crown agency established under the Department of Transport for this purpose, undertake to operate an extensive shipping service on the west coast. At the same time I suggest that an air line organization should be connected with it so that the profits that could be made from one phase of the operation might be used to offset the deficit that would undoubtedly develop in the other phase of the operation.

I think we all realize that if it were not for the $294,500 subsidy now paid to Northland Navigation Company that company would not be able to operate that type of service and the service provided would be much less than is the case now. I do not have access, of course, to the confidential figures of these companies, although they are in the files of the Canadian maritime commission, but I am sure that Northland Navigation Company at present, and Union Steamships before, have operated the passenger part of their service on the west coast at a loss. It is the freight end of the service that makes a profit.

It is also a fact that the majority of passengers who travel by steamer on the west coast do so in the summer months from May to September. I believe there was some reference to that by the royal commission on coastal trade indicating that more than half of the passengers using this service on the west coast travel in the three or four summer months. Perhaps there would be a profit on this phase of the operations if the figures were computed for the summer months only but there would be a huge deficit in the winter months when passenger travel declines.

The same thing is true of freight. Freight shipments will increase or decrease depending on the operations of the logging industry in particular. If there is a curtailment of logging operations in the summer because of fires the whole logging industry will close down because, as has occurred in the past, the forests are closed for six to seven weeks. This means a curtailment of freight movements to the logging camps. If there is a decline in the lumber industry, as is developing at the moment, this also affects freight and passenger service. Even though a private concern is operating with a subsidy, it will find it convenient to curtail as much as possible the service it is required to provide in order that the company will not go completely bankrupt. There is a ceiling of $294,500 on the subvention which that particular company will get. This is geared, I understand, to indicate that the company can operate at a 10 per cent profit before taxes or 5 per cent after. If they do make more money, there is a recapture clause.

All of this difficulty would be overcome if we had a crown corporation which was able to enter into this field with its first goal, although not exclusively, the provision of service to these up-coast points. Naturally I do not envisage a regular, daily call by a ship such as the *Prince George* or something of that nature. I do not envisage anything lavish in the way of luxury liners operating up and down the coast. This merely envisages a decent type of ship and service being provided to these coastal points. Many of them now get service perhaps twice a month or every other week, and some of them not at all. The people in some of these communities have to arrange to get their supplies or freight by travelling themselves by their own boats perhaps 60, 80 or 100 miles to some point of call of Northland Navigation. It is this suggestion that I commend to the attention of the government and the minister.

I am afraid that if something of this nature is not done we will continue to limp along with a deteriorating, declining passenger and freight service to up-coast points, and in addition we will be faced with having to increase the subsidy to Northland Navigation just as the government was asked by Union Steamships for an increase in order to put it on an economical basis. Since Northland is apparently operating on a shoestring their ships are deteriorating. They are not able to do the amount of repair and maintenance work on the ships that is necessary. They are restricted in their attempts to provide newer or additional boats for this service. I can foresee the time when this company, Northland Navigation, will come pounding on the minister's door, doing the same thing as Union Steamships did, saying that their boats are in such bad condition they need another quarter of a million dollars in order to put them back into shape. I am sure the officials of the maritime commission, as well as the minister, who watch this situation closely will have come to that conclusion too.

I think I will leave that phase of it there, for the moment. One cannot point out too strongly the great need there is for providing a better type of shipping service to these isolated up-coast points that now have to suffer tremendous hardship, and should not have to suffer any longer with the type of service that they have been provided in the past few years.

Mr. Robichaud: I only have a few brief remarks to make at this point of the estimates. I have two problems which I should like to bring to the attention of the minister. As the minister knows, we have operating from northeastern New Brunswick one of the largest fishing fleets of its kind on the Atlantic coast. In fact in the Caraquet-Shippegan area alone we have a fleet of over 100 draggers and longliners operating, and a similar number operate from the Gaspe, Prince Edward Island and the Magdalen islands. What I should like to bring to the attention of the minister is the lack of storm warning systems in this area, which is at the mouth of Chaleur bay and covers certain sections of the gulf of St. Lawrence. In order to avoid such disasters as occurred around this time last year in the Northumberland strait I would urge the minister to have his department give serious consideration to the establishment of a storm warning station on Miscou island. Miscou island is located on the northeastern tip of New Brunswick. I would say 90 per cent of the fishing fleet to which I referred a moment ago operates within a short distance from Miscou island, and at least within radiotelephone range, with which all these boats are equipped. So I ask the minister if his department will give serious consideration to this suggestion.

Another matter which I should like to discuss very briefly, Mr. Chairman, is the reference which was made earlier this afternoon to the Chignecto canal. On numerous occasions over the last two or three years the minister has been referring to the preliminary engineering estimate of the Chignecto project which, according to the minister's own words, was being prepared by the Department of Public Works. In fact it was on March 4 last year, as reported on page 1593 of *Hansard,* that the minister advised this committee that, arising out of the work that had been done, he had asked for certain other estimates to be worked out. This is normal procedure on a project of such a nature.

Again on March 26 of last year the minister reported to the house that his department was giving very close study both to the economic and to the engineering feasibility of such a project. A few weeks later, on June 11, he referred to estimates ranging from $90 million to $140 million. On March 30 of this year, a year later, in reply to a question from my colleague the hon. member for Northumberland-Miramichi the minister is reported as saying at page 2607 of *Hansard,* and I quote his own words:

> An estimate prepared by a private engineering firm within the last year suggested a cost of about $90 million, but subsequent review has indicated that government agencies concerned would find it difficult to accept technical assumptions made therein.

In recent weeks a report has been issued, prepared by the Chignecto canal committee and resulting from the preliminary investigation into the economic feasibility of such a project. We were informed by the Prime

Minister in this house on April 13, as reported on page 3188 of *Hansard,* that following that report a formal request will be made for a full scale economic study by the federal government to determine the economic feasibility of the Chignecto canal. The Minister of Transport on May 26, 1959 indicated that a close study was being made by his department of the economic and engineering feasibility of this project. According to the Prime Minister, almost a year later, a formal request is being waited from the premier of New Brunswick for the federal government to undertake an economic study to determine the economic feasibility of the Chignecto canal. I ask the Minister of Transport to tell this committee where we stand. Was an economic study undertaken last year? What work has been done? What progress has been made? How is it that only a few weeks ago, notwithstanding the statements which had been made last year by the Minister of Transport, the Prime Minister advised this house that he had to receive a formal request from the premier of New Brunswick to undertake such a report?

I would remind the minister that the previous administration did not back out because of the cost of the construction of Camp Gagetown when it was decided that this establishment would contribute to the economy of the area. Instead of waiting for a pre-election announcement to coincide with the provincial election in New Brunswick, I ask the minister to advise the house now that the federal government is undertaking a full scale study in order to determine the economic feasibility of this canal. If, however, as he stated, such a study has been going on for the last two years, I ask the minister to make a progress report to this committee before this item of the estimates is passed.

The Chignecto canal is too important a project to the economy of the Atlantic provinces to be tossed around as a political football, as was done last year in connection with the Prince Edward Island causeway. If the construction of the canal is feasible and if it is economically sound the federal government should plan now—not next year but this year—for this construction at a time when such major capital projects are badly needed in order to alleviate this unprecedented unemployment situation in the Atlantic provinces.

Mr. Winch: I fully appreciate the fact that the minister would like before five o'clock to answer a number of the questions that have been raised. However, I hope I may have just two or three minutes in order to raise one other matter upon which I should like to hear the comment of the minister. It is one which was not pointedly drawn to my attention until recently. I should like to hear from the minister as to what is the policy and the authority of his department on construction projects as far as they are concerned with the construction codes where the construction is taking place.

If my memory is correct, his department does construction mainly in two spheres, namely construction on property within a municipal border but where it is a crown construction or construction below the high water line. It is my understanding that his department takes the view that construction, even on municipal property or construction below the high water line, does not come under the construction or building codes of anyone whatsoever.

I believe this point came to the fore just last week in Vancouver where a certain construction under his department does not conform to the building code of Vancouver. I also understand that on a construction, if it is below the high water line or even if it is on the land side of the high water line, there is no requirement for inspection by building construction inspectors of the municipality or of the province.

I think an extremely important principle is involved here. I can remember what happened many years ago—I believe I was only 18 years at the time—when I was working as an apprentice electrician on a government job with no construction inspection by the city. I can remember one night when we were on the night shift the bin floor of the construction collapsed but by the grace of God nobody was hurt or killed.

The point upon which I should like to hear from the minister is this. I can see him looking at his watch. I should like to get clear from the minister this point. Why is it not correct or, if not, why is it okay that on a construction by his department on crown property, especially below the water line, they do not have to conform to the building code of the municipality or the city which is adjacent and why is there no inspection outside of his department's own engineers? There may be inspection by them but there is no inspection, as I understand it—at least that was the situation years ago when I was working on government projects—by city inspectors. I am personally of the opinion that the building codes of cities, municipalities and provinces should be adhered to and also that inspection of government projects should not just be done by the engineers or the contractors employed by his department or a government department but by those whose responsibility it is, away from the contracting

point of view, to make sure that in construction and in fulfilment, it abides by the building codes of the city, municipality or province.

Mr. Pickersgill: Before the minister replies I should like to draw his attention to a resolution passed at the 1960 annual meeting of the fisheries council of Canada and to read it into the record so that it will appear with the minister's estimates. I hope he will give consideration to this matter. It is headed "Importation of Fishing Vessels" and reads as follows:

Whereas some processors of fish are suffering severely from lack of suitable fishing vessels; and

Whereas the federal government restricts the acquisition of the desired craft in the foreign markets through:

(a) The necessity of having to secure permission from the Department of Transport to import a vessel—a restriction which we do not believe exists in the case of instruments of production in any other Canadian primary industry;

(b) Heavy duties levied on vessels up to 100 feet in length when imported from most favoured nation countries; and

Whereas experience has shown that larger vessels are going to play a more important part in production in future years;

Therefore be it resolved that the Fisheries Council of Canada request the federal government to remove these hindrances to the adequate building up of the Canadian fishing fleet.

I am not going to elaborate on that resolution. I intend to bring it to the attention of his colleagues. I hope the minister will give it careful consideration. I hope he will remember that he used to do a great deal of fishing when he was on this side of the house and that he will do something to help the fishing industry.

Mr. Hees: I am glad to assure the hon. member for Bonavista-Twillingate that I will give it some serious consideration. In answer to the question put to me by the hon. member for Gloucester with regard to the studies pertaining to the Chignecto canal, I should like to report to him that my department has done a preliminary economic survey of this project. The Department of Public Works has done a preliminary engineering survey. However, there is nothing final that I can report to the committee as a result of these surveys so far. As I think I have indicated to him, I have always been greatly interested in this project. I have looked into it a great deal myself and I will continue to do so. The government will certainly give this matter a great deal of consideration.

In answer to the question—

Mr. Robichaud: Before the minister leaves that subject may I ask a question?

Mr. Hees: Yes.

[Mr. Winch.]

Mr. Robichaud: Is the study still under way?

Mr. Hees: Yes; it is still under way.

Mr. Robichaud: By both departments, namely the Department of Transport and the Department of Public Works?

Mr. Hees: Yes. In answer to the question of the hon. member for Vancouver East, may I say that this matter which he has raised is a technical one. It deals with questions under the jurisdiction of the national harbours board. I will discuss this matter with the officials of the board and later, when the national harbours board items come before the committee in the examination of my estimates, I will give him an answer at that time, if that procedure is satisfactory to him.

Mr. Winch: Yes.

Mr. Cardin: Before we go on to other matters I have a short question to ask the minister on this item. I think it is the only place at which I can ask him. Earlier this session the Prime Minister led us to understand that there was some department which was studying the feasibility of having a seaway on the Richelieu river from lake Champlain to New York. I was wondering whether the amount of money involved in this particular item, or some of it, is earmarked for that particular study of the Richelieu waterway. Perhaps the minister might also inform the committee as to exactly what studies are now being undertaken on this project.

Mr. Hees: We have given some study in this department to that project and have been in consultation with the Department of External Affairs on the matter. We have a continuing interest and will be giving it further study, but I am afraid there is nothing definite in this regard which I can report to the house.

Mr. Chevrier: May I ask a question following on what the hon. member for Richelieu-Vercheres said. The minister probably knows that the United States interests have, I understand, asked for an appropriation of $600,000 for a survey of their side. They would like the Canadian government to spend not a similar amount, because it would not take that much money, but to put into the estimates an amount which would make possible a survey of the cost of the Richelieu cut-off. After all, that is all that can be asked for at the moment. What is this cut-off going to cost, and what are the economic advantages and the traffic likely to come from it. I think that is the main thing which interests the hon. member for Richelieu-Vercheres and those of us who sit on this side of the house.

Perhaps I might be permitted to say this. I think the minister should make representations to the international joint commission because it is they who were seized of this whole problem and they said, "We would like to get this problem back to us so that we can study it after the St. Lawrence seaway has been completed". Now the seaway is complete, and by virtue of that report which they made I think representation should be made to them with that end in view.

Mr. Hees: I shall be glad to speak to the Secretary of State for External Affairs because this matter concerns him very much, I know, and I will discuss with him the possibilities which the hon. member for Richelieu-Vercheres and the hon. member for Laurier have suggested.

Mr. Peters: Mr. Chairman, a great deal has been said today about various seaports from Newfoundland to the west coast, and I would like to mention one which I am very interested in, and that is Ontario's first seaport at Moosonee. A great deal has been said about this matter in elections, and what we hear is not necessarily what is coming to pass.

Mr. Hees: May I say to the hon. member that this is a matter which comes under the jurisdiction of the Department of Public Works, not the Department of Transport.

Mr. Peters: I do not think frankly it comes under anything.

The Deputy Chairman: Order. If the minister intimates that it does not come under his department then I am sure the hon. member realizes that he cannot discuss it under this item.

Mr. Peters: On the point of order, there is no port there at the present time. There is no question that the work will be done by the Department of Public Works in the federal field and also the provincial field, and although the minister may not want to assume responsibility for it, but it is a seaport like any other seaport. It is now a seaport and ocean vessels do call at Moosonee. There are docking facilities—

The Deputy Chairman: Order. As I have already said, the minister has indicated that it does not come under his department, and I feel that the Chair will have to go along with the minister who knows his department. Therefore I ask the hon. member not to discuss this matter under this item.

Mr. Peters: Could I ask the minister—

Some hon. Members: Order.

The Deputy Chairman: The Chair has made its ruling. Shall the item carry?

Mr. Howard: There is another point I want to make on this in a general way. It has to do with the question of coastguards, which is also an extremely important matter to the west coast. There are references to this subject matter in the January 8, 1960 edition of the *Fisherman*, which is the publication of the fishermen's union on the west coast. On page 5 reference is made to a committee of the women's auxiliary and of the union itself which met with the Minister of National Defence to discuss the Canadian coastguard service. They presented a brief to the minister which I understand will be communicated to his colleague, the Minister of Transport, and no doubt that has taken place.

The contents of the brief are set out here in general form. There is no indication whether this is the exact wording of the brief, but if it is not this is a shortened form of the points made in the brief and perhaps I can make reference to them. The first is:

> Integration and co-ordination of all existing government vessels with a control centre which will be kept informed of their movements at all times.

I understand that something along this line has been done. Second:

> Equipment on such vessels to include a sick bay with inhalator and first aid personnel, modern fire fighting equipment including asbestos suits, etc., skin diving gear, rocket guns for firing lines, and most important, trained personnel.
>
> On each of the existing governmental vessels, one person shall be appointed for marine rescue work. He shall be responsible for the equipment and training and shall ensure regular contact with the control centre.
>
> At least three coastguard cutters to be built or existing units to be converted for this purpose, each unit to have helicopter support.
>
> Cutters to be strategically located on the coast and able to move into any area not serviced at the time by one of the emergency vessels, that is, fishery patrol, lighthouse tenders, etc.
>
> Continuation of air-sea rescue under the direction of the central control centre mentioned in (1) above.

That was the integration and co-ordination of government vessels with a control centre. Then lastly:

> Strict enforcement of minimum safety-at-sea regulations by all small private and commercial craft. This to include, in addition to lifesaving equipment, a working knowledge of the "rules of the road."

That is the rules of the road at sea. It appears the Minister of National Defence was visibly and openly impressed with the material contained in the brief and he asked some questions relating to the shortcomings of the existing air-sea rescue service. Many illustrations were given of cases in the past where help had been, as they put it, too little and too late. They point out another shortcoming of the air-sea rescue service is that because

of the lack of some central control and integration system the large government fleet operated independently of one another. Vessels from the fisheries patrol, the Department of Transport, the Department of Public Works, the navy and Royal Canadian Mounted Police vessels were not being efficiently or fully used because of the lack of a central control to co-ordinate all of their activities.

The minister was told also, according to this information, that during several months of the year many of the vessels being used were either out of service, laid up, or otherwise not available and that an adequate service would require the vessels to be at readiness on a 24-hour a day, seven days a week, 52 weeks a year basis so that in an emergency, regardless of the time of night or day or the season of the year, adequate vessels would be available to participate.

The committee indicated that it received an extremely friendly hearing from the minister who indicated that this was the first time any group had submitted a program to him in such detail. The minister is reported to have expressed the opinion that the proposals seemed to be practical and workable and that they would receive the closest attention from himself and his colleagues. It is unfortunate, perhaps, that the Minister of National Defence could not be here to give us his impressions of this delegation and to contribute to our discussion of the proposal for a coast-guard.

However, I should like to inquire specifically of the minister in regard to the seven points which are mentioned, whether the hon. gentleman has had an opportunity of discussing them in some detail with the Minister of National Defence and what conclusions, if any, have been reached. Perhaps the minister could indicate what attitude has been taken toward the points mentioned in the brief—the equipment of vessels with sick bay facilities, having one person on each made responsible for the equipment and getting in contact with the control centre, the strategic location of vessels at various points on the coast, the placing of them all under central control, the announcement of immediate safety regulations for small private and commercial craft, and so on.

I know the minister is just as concerned as those who come from the west coast are about this problem. We, of course, are in contact with fishermen and others in our constituencies, as well as with the families of fishermen—wives of men who have been lost at sea—all of whom have a special interest in the efficient working of an air-sea rescue service. I do not think I need go into great detail about the need which exists for the establishment of a service which would ensure to the greatest possible degree that any accident which occurred at sea would be dealt with with dispatch and the men reached in the shortest possible time through a co-ordinated system such as was outlined by the delegation which met the minister.

Mr. Hees: As the hon. member knows, I had a good meeting with the delegation which came down here. We discussed the matter thoroughly. They put forward their brief. I asked questions; they answered them, and vice versa. As the hon. member also knows, we appointed a co-ordinator recently whose job it is, among other things, to make recommendations as to how we can best accomplish the aims which the hon. member has outlined and which the delegation outlined to me. All those interested in safety at sea on the west coast have these aims in mind. We are just as interested as he is in this question. We shall press the matter forward as quickly as we can and the co-ordinator will be in touch with the organization the hon. member has mentioned.

Mr. Fisher: May I call it five o'clock?

Some hon. Members: It is not five o'clock yet.

Mr. Fisher: I was wondering if the minister had made any changes in his attitude as far as the accounting methods of Canadian National Railways and other crown enterprises which come under his jurisdiction are concerned in order that there may be a more effective system of accounting to parliament than exists at the present time.

We have a tradition in Canada in so far as public enterprise goes, of allowing—

The Deputy Chairman: It being five o'clock, in order to permit the house to proceed into the consideration of private and public bills it is my duty to rise, report certain resolutions and request leave to sit again.

Progress reported.

Resolutions reported and concurred in.

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 section 3 of standing order 15.

Mr. McCleave: I believe it has been agreed among all members of the house that second reading be given to all the divorce bills that now stand on the order paper for second reading with one exception, and that the house then return to consideration of the estimates of the Department of Transport. If that is

the agreement I would move, seconded by the hon. member for Victoria, (B.C.), the second reading of all divorce bills standing on the order paper for second reading, with the exception of order No. 294, which is Bill No. SD-320, on which the hon. member for Skeena is to speak.

Mr. Howard: Mr. Speaker, there may be some slight misunderstanding. The reference of the hon. member to dealing with divorce bills for second reading with the exception of Bill No. SD-320, which is order No. 294, which is to be dealt with separately, was quite correct, but to proceed then back into committee of supply to deal further with the estimates of the Department of Transport is not my understanding of the arrangement. This is the unfortunate part of it, if I may explain. I was trying to listen to the comments of the Minister of Transport and at the same time make those arrangements. This may have occasioned the misunderstanding. It is not my understanding that we are to go back and discuss the estimates of the Department of Transport.

Mr. Pickersgill: I would like to make it clear that so far as we are concerned we knew what our minds were and we are quite prepared to carry out the understanding.

Mr. Churchill: Will hon. members give consideration to the proposal put forward, even if there has been a slight misunderstanding by certain hon. members? It would be helpful in the progress of the business of the house, which has been going very well, if we were to continue with the estimates of the Department of Transport. There will be plenty of opportunity later to carry on with the other business which is before us.

Mr. Chevrier: In so far as the estimates of the Department of Transport are concerned, we on this side are quite prepared to carry on in order to dispose of them in the remaining time before six o'clock. In so far as the divorce bills are concerned, my friend the hon. member for Bonavista-Twillingate (Mr. Pickersgill) spoke and I do not want to be heard on that.

Mr. Howard: I might say that generally, Mr. Speaker, we give as much consideration to those people who have parliamentary divorces as we do to the estimates of the Department of Transport.

Mr. Speaker: There are two proposals, both of which require unanimous consent. As I take it, they are conditional one on the other, or are they independent? The first proposition is this. In the hour which has been set aside for private bills consideration is to be given first to the second reading of divorce bills standing for second reading, with the exception of order No. 294. Is the house agreed to proceed in that manner?

Some hon. Members: Agreed.

Mr. Speaker: The second proposition is that when these second readings are disposed of the house will then waive this hour and return to committee of supply to deal with the matter interrupted at five o'clock.

Mr. Herridge: Mr. Speaker, the decision of this group is to proceed with divorce bills in this hour.

Mr. Speaker: Is it the wish of the house to proceed with divorce bills in accordance with the arrangements just arrived at?

Some hon. Members: Agreed.

Mr. Speaker: Just to make it clear, the items for second reading which are now proposed by the hon. member for Halifax are items numbered 265 to 300 with the exception of 294; 302 to 322; 325 to 378; and 382 to 406. Is it the wish of the house that these bills be taken in one motion?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill No. SD-291, for the relief of Myrtle Gertrude Lily Molloy Heany.—Mr. McCleave.

Bill No. SD-292, for the relief of Kathleen Margaret Sinclair McKenna Roberts.—Mr. McCleave.

Bill No. SD-293, for the relief of Marion Toba Wolfe Cohen Shapiro.—Mr. McCleave.

Bill No. SD-294, for the relief of Marie Lucille Simone David Raymond.—Mr. McCleave.

Bill No. SD-295, for the relief of Otto James Kerr.—Mr. McCleave.

Bill No. SD-296, for the relief of James Justin Sims.—Mr. McCleave.

Bill No. SD-297, for the relief of Sylvia Overland Katz.—Mr. McCleave.

Bill No. SD-298, for the relief of Blanche Brigitte Paulette Gagne Joly.—Mr. McCleave.

Bill No. SD-299, for the relief of Carmel Duguay Mitchell.—Mr. McCleave.

Bill No. SD-300, for the relief of Catherine Maureen Kelly Mavor.—Mr. McCleave.

Bill No. SD-301, for the relief of Maria Ruland Reutter.—Mr. McCleave.

Bill No. SD-302, for the relief of Joseph Louis Victor Dupere.—Mr. McCleave.

Bill No. SD-303, for the relief of Rose Polivka De Bom.—Mr. McCleave.

Bill No. SD-304, for the relief of Vernis Clifton Christie.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-305, for the relief of Thomas Edward Imbleau.—Mr. McCleave.

Bill No. SD-306, for the relief of Jean Guy Cardinal.—Mr. McCleave.

Bill No. SD-307, for the relief of Marie Mathilde Charlotte Boisjoli Dore.—Mr. McCleave.

Bill No. SD-308, for the relief of David Lloyd Tune.—Mr. McCleave.

Bill No. SD-309, for the relief of Sybil Fenster Shaicavitch.—Mr. McCleave.

Bill No. SD-310, for the relief of Lynda Marjorie Cowell Smith.—Mr. McCleave.

Bill No. SD-311, for the relief of Alois Zisser.—Mr. McCleave.

Bill No. SD-312, for the relief of Stanley Sepchuk.—Mr. McCleave.

Bill No. SD-313, for the relief of Nadine Tudor Labreche.—Mr. McCleave.

Bill No. SD-314, for the relief of Robert Gordon Stitt.—Mr. McCleave.

Bill No. SD-315, for the relief of Philippa Jane Hutchins Tanton.—Mr. McCleave.

Bill No. SD-316, for the relief of Julianna Barna Nadasdi.—Mr. McCleave.

Bill No. SD-317, for the relief of Franciszek (Frank) Wyspianski.—Mr. McCleave.

Bill No. SD-318, for the relief of Mary (Moira) Steel Taylor Madison-Roberts.—Mr. McCleave.

Bill No. SD-319, for the relief of Marie Evelyn Lindsay Slade.—Mr. McCleave.

Bill No. SD-321, for the relief of Joseph Armand Dube.—Mr. McCleave.

Bill No. SD-322, for the relief of Margaret Elizabeth Perkins Petrachuk.—Mr. McCleave.

Bill No. SD-323, for the relief of Istvan Horvath.—Mr. McCleave.

Bill No. SD-324, for the relief of Kathleen Margaret Manchios Kotsos.—Mr. McCleave.

Bill No. SD-325, for the relief of Peter Zeppetini.—Mr. McCleave.

Bill No. SD-326, for the relief of Jean Louis Beaudet.—Mr. McCleave.

Bill No. SD-327, for the relief of Antoni Kubowicz.—Mr. McCleave.

Bill No. SD-328, for the relief of Georg Zechanowitsch.—Mr. McCleave.

Bill No. SD-329, for the relief of Sonia Kwas Cada.—Mr. McCleave.

Bill No. SD-330, for the relief of Stanislaw Wroblewski.—Mr. McCleave.

Bill No. SD-331, for the relief of Jean Ednah Hiltz Dewey.—Mr. McCleave.

Bill No. SD-332, for the relief of Vera Jarvis Lahaye.—Mr. McCleave.

Bill No. SD-333, for the relief of Claire Marie Marchand McGuinness.—Mr. McCleave.

Bill No. SD-334, for the relief of Marie Denise Theberge Duguay.—Mr. McCleave.

Bill No. SD-335, for the relief of Marie Rita Desneiges Trepanier Pelchat.—Mr. McCleave.

Bill No. SD-336, for the relief of Darrell Ashley Conner.—Mr. McCleave.

Bill No. SD-337, for the relief of Gladys Florida Allard Chenier.—Mr. McCleave.

Bill No. SD-338, for the relief of Sonia Floomberg Schaffer.—Mr. McCleave.

Bill No. SD-339, for the relief of Alice Marylyn Archibald Warren Wornell.—Mr. McCleave.

Bill No. SD-340, for the relief of Doris Miller Burke.—Mr. McCleave.

Bill No. SD-341, for the relief of Jacquelyn Gregory Bradley Walker.—Mr. McCleave.

Bill No. SD-342, for the relief of Monica Carolyn Nolan McCullough.—Mr. McCleave.

Bill No. SD-343, for the relief of Aime Albert.—Mr. McCleave.

Bill No. SD-344, for the relief of Renee Helen Engel Graham.—Mr. McCleave.

Bill No. SD-345, for the relief of Florian Poissant.—Mr. McCleave.

Bill No. SD-346, for the relief of Mary Kathleen Potts (Wittingham) Barretta.—Mr. McCleave.

Bill No. SD-347, for the relief of George Herbert Bissessar.—Mr. McCleave.

Bill No. SD-348, for the relief of Leslie Robert Stickles.—Mr. McCleave.

Bill No. SD-349, for the relief of Philippe Simard.—Mr. McCleave.

Bill No. SD-350, for the relief of Estelle Caroline Lohnes Antilla.—Mr. McCleave.

Bill No. SD-351, for the relief of Yolande Marguerite Delorme Houde, otherwise known as Yolande Marguerite Delorme Cyr.—Mr. McCleave.

Bill No. SD-352, for the relief of Andree Edmonde Augusta Fontaine Barriere.—Mr. McCleave.

Bill No. SD-353, for the relief of Eleanor Jean Mott Taylor.—Mr. McCleave.

Bill No. SD-354, for the relief of Rose Van Embden Singer.—Mr. McCleave.

Bill No. SD-355, for the relief of Jack Emile Chiarella.—Mr. McCleave.

Bill No. SD-356, for the relief of Elaine Louise Robinson Solkin.—Mr. McCleave.

Bill No. SD-357, for the relief of Gerald Onie Shannon.—Mr. McCleave.

[Mr. Speaker.]

Bill No. SD-358, for the relief of Percival Verna Nathan.—Mr. McCleave.

Bill No. SD-359, for the relief of Valerie Elsie Price Perrault.—Mr. McCleave.

Bill No. SD-360, for the relief of Joseph Edmond Giroux.—Mr. McCleave.

Bill No. SD-361, for the relief of Allen Dwight Westover.—Mr. McCleave.

Bill No. SD-362, for the relief of Shirley Grace Edythe Sayers Sutherland, otherwise known as Shirley Seguin Sutherland.—Mr. McCleave.

Bill No. SD-363, for the relief of Claire Ruth Rubins Lyons.—Mr. McCleave.

Bill No. SD-364, for the relief of Stanislaw Przybyla.—Mr. McCleave.

Bill No. SD-365, for the relief of Ian Church Wood.—Mr. McCleave.

Bill No. SD-366, for the relief of Marie Hariette Claudette Boisvert Beaudry.—Mr. McCleave.

Bill No. SD-367, for the relief of Arthur Edward Parker.—Mr. McCleave.

Bill No. SD-368, for the relief of Owen John Lummis.—Mr. McCleave.

Bill No. SD-369, for the relief of Ronald Norman Hogg.—Mr. McCleave.

Bill No. SD-370, for the relief on Roy Walter Williams.—Mr. McCleave.

Bill No. SD-371, for the relief of Barbara Doris Jennings Fitzgerald.—Mr. McCleave.

Bill No. SD-372, for the relief of Christine Nancy Littleton Cohen.—Mr. McCleave.

Bill No. SD-373, for the relief of Czarna Rose Lemkowicz Bialer, otherwise known as Czarna Rose Lemkowicz Bealer.—Mr. McCleave.

Bill No. SD-374, for the relief of Kazimierz Romanowski.—Mr. McCleave.

Bill No. SD-375, for the relief of Norma Katherine MacDonald McLean.—Mr. McCleave.

Bill No. SD-376, for the relief of Diane Hawkins Edler.—Mr. McCleave.

Bill No. SD-377, for the relief of Marcel Pouliot.—Mr. McCleave.

Bill No. SD-378, for the relief of Gisele Raymond Vallee.—Mr. McCleave.

Bill No. SD-379, for the relief of Madeleine Arbour Gauvreau.—Mr. McCleave.

Bill No. SD-380, for the relief of Pierre Frederic Bruneau.—Mr. McCleave.

Bill No. SD-381, for the relief of Nancy Virginia Webster Canning.—Mr. McCleave.

Bill No. SD-382, for the relief of Annie Zilinskas Schneidereit, otherwise known as Annie Zilinskas Schneider.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-383, for the relief of Jean Paul Alfred Lebel.—Mr. McCleave.

Bill No. SD-384, for the relief of Bernice Ellis Biltis.—Mr. McCleave.

Bill No. SD-385, for the relief of Evagelia Karidi Tsitsos.—Mr. McCleave.

Bill No. SD-386, for the relief of Barbara Raphael Salomon.—Mr. McCleave.

Bill No. SD-387, for the relief of Richard Denis Giblin.—Mr. McCleave.

Bill No. SD-388, for the relief of Fanny Husey Baggs.—Mr. McCleave.

Bill No. SD-389, for the relief of Lambly Dorothy Audrey Hage Lambert.—Mr. McCleave.

Bill No. SD-390, for the relief of Paul Emile Raymond.—Mr. McCleave.

Bill No. SD-391, for the relief of Doris Mary Luxford Devenish.—Mr. McCleave.

Bill No. SD-392, for the relief of Beulah Benford Brown Lawrence.—Mr. McCleave.

Bill No. SD-393, for the relief of Kathleen Walsh Cohan.—Mr. McCleave.

Bill No. SD-394, for the relief of Francis Whiting Clark.—Mr. McCleave.

Bill No. SD-395, for the relief of Gustave Roy.—Mr. McCleave.

Bill No. SD-396, for the relief of Joan Shirley Davies Herscovitch.—Mr. McCleave.

Bill No. SD-397, for the relief of Eugene Grandmont Ladouceur.—Mr. McCleave.

Bill No. SD-398, for the relief of Ivy Helen Gentles Bell Pull.—Mr. McCleave.

Bill No. SD-399, for the relief of Herve Vaillancourt.—Mr. McCleave.

Bill No. SD-400, for the relief of Madeleine Hermine Kelen Endrenyl.—Mr. McCleave.

Bill No. SD-401, for the relief of Marie Jeannine Andree Boisclear Lafrance.—Mr. McCleave.

Bill No. SD-402, for the relief of Peter Aric Bray.—Mr. McCleave.

Bill No. SD-403, for the relief of Gerard Lafond.—Mr. McCleave.

Bill No. SD-404, for the relief of Jessie Davis Hill.—Mr. McCleave.

Bill No. SD-405, for the relief of Grace Ruth Goldenberg Goldberg.—Mr. McCleave.

Bill No. SD-406, for the relief of Elsie Mae Freake Vardy.—Mr. McCleave.

Bill No. SD-407, for the relief of Gisele Fortin St-Laurent.—Mr. McCleave.

Bill No. SD-408, for the relief of Pauline Anne Elizabeth Cunliffe Hebb.—Mr. McCleave.

Bill No. SD-409, for the relief of Mary Violet Maloney Elm.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-410, for the relief of Gilles Jacques.—Mr. McCleave.

Bill No. SD-411, for the relief of Bernice May Snow Oss.—Mr. McCleave.

Bill No. SD-412, for the relief of Guy Grenier.—Mr. McCleave.

Bill No. SD-413, for the relief of Margaret Mary Ryan Girvan Hollett.—Mr. McCleave.

Bill No. SD-414, for the relief of Caroline Petryshyn Was.—Mr. McCleave.

Bill No. SD-415, for the relief of Rhonda Lee Petersen Butt.—Mr. McCleave.

Bill No. SD-416, for the relief of Alexandra Protonotarios Kingsland.—Mr. McCleave.

Bill No. SD-417, for the relief of Frances Thersea Smith MacDonald.—Mr. McCleave.

Bill No. SD-418, for the relief of Anna Soltysik Slawinski.—Mr. McCleave.

Bill No. SD-419, for the relief of Wera Podkopaewa Kraska.—Mr. McCleave.

Bill No. SD-420, for the relief of Ronald Mugford.—Mr. McCleave.

Bill No. SD-421, for the relief of Ida Denis Matte.—Mr. McCleave.

Bill No. SD-422, for the relief of Sterling Norman Woods.—Mr. McCleave.

Bill No. SD-423, for the relief of Mary Wolloch Vineberg.—Mr. McCleave.

Bill No. SD-424, for the relief of Lotte Wilhelmine Schwitzer Hornig.—Mr. McCleave.

Bill No. SD-425, for the relief of Margaret Clare Haigh Marshall.—Mr. McCleave.

Bill No. SD-426, for the relief of Claire Syrek Stolovitz.—Mr. McCleave.

Mr. Speaker: Order. Shall these divorce bills be taken in one motion?

Mr. Peters: No, Mr. Speaker.

JOHN GILBERT OAKLEY

The house in committee on Bill No. SD-52, for the relief of John Gilbert Oakley.—Mr. McCleave—Mr. Rea in the chair.

On clause 1—*Marriage dissolved.*

The Deputy Chairman: Shall clause 1 carry?

Mr. Pickersgill: Mr. Chairman, I move that the committee rise, report progress and ask leave to sit again at the next sitting of the house.

Mr. Broome: If you need a seconder, I second it.

Motion agreed to.

Progress reported.

[Mr. Speaker.]

JULIANNA CATHARINA MEHILERCSIK JUTRAS

The house in committee on Bill No. SD-26, for the relief of Julianna Catharina Mehilercsik Jutras—Mr. McCleave—Mr. Rea in the chair.

On clause 1—*Marriage dissolved.*

The Deputy Chairman: Shall clause 1 carry?

Mr. Pickersgill: I move that the committee rise, report progress and ask leave to sit again at the next sitting of the house.

Mr. Peters: This is not a Newfoundland divorce. You do not have to do that; we passed the Newfoundland one.

Motion agreed to.

Progress reported.

BARBARA JEAN GILLIES HARRIS COOKE

The house in committee on Bill No. SD-28, for the relief of Barbara Jean Gillies Harris Cooke—Mr. McCleave—Mr. Rea in the chair.

On clause 1—*Marriage dissolved.*

The Deputy Chairman: Shall clause 1 carry?

Mr. Pickersgill: Mr. Chairman, I move that the committee rise, report progress and ask leave to sit again at the next sitting of the house.

Motion agreed to.

Progress reported.

Mr. McCleave: Mr. Speaker, before the next order is called, we have had a bit of fun for the last couple of minutes and I wonder whether I could appeal to the sweet reasonableness of the house. I do not know what is going to happen to you, Mr. Speaker, if you have to continue running up and down the steps. I think perhaps we could proceed to the consideration of the estimates of the Department of Transport if the hon. member agrees.

Mr. Howard: You got into this. Get yourself out of it.

The Acting Speaker (Mr. Rea): Will the house give unanimous consent to going back to the business that was interrupted at five o'clock?

Mr. Howard: No.

Mr. Broome: On a point of order, Mr. Speaker, I should like to know who the member is who has refused permission to go back to the consideration of the estimates of the Department of Transport.

The Acting Speaker (Mr. Rea): The hon. member for Skeena.

ERWIN THOMAS STEPPAN

The house in committee on Bill No. SD-30, for the relief of Erwin Thomas Steppan—Mr. McCleave—Mr. Rea in the chair.

On clause 1—*Marriage dissolved.*

Mr. Howard: Mr. Chairman, I wonder whether I might make a comment or two with respect to Bill No. SD-30. In the petition the allegation is made that the petitioner and the respondent were married on or about January 24, 1942 at the city of Montreal in the district of Montreal. It is also alleged that at the time of the marriage the petitioner and the respondent, the husband and wife, were domiciled in Canada and have since continued to be and are now domiciled in Canada, in the province of Quebec. There is reference to the current domicile and in paragraph No. 6 it is alleged that on or about January 26, 1959 at a certain address in the district of Montreal adultery took place between the wife and the co-respondent whose name and address are given here.

Attempting to prove those questions which are germane, the petitioner appeared as a witness, was sworn and was asked certain questions by the clerk of the committee. He gave his name, occupation and address and then he was asked by the clerk of the committee:

Q. Are you married?
A. Yes, sir.
Q. To whom?

He gives the name of the respondent in the case and spells the name.

Q. When were you married?

He gives the church they were married in and their faith. He is then shown a document and asked these questions.

Q. Do you recognize this document I show you?
A. Yes, sir.
Q. What is it?
A. My marriage certificate.
Q. Are the statements contained in it true?
A. Yes.
Q. Except for the discrepancy in the spelling of your wife's name?
A. Yes.

Then the marriage certificate is filed and marked exhibit 1. He is then shown a photograph which he says is a true likeness of his wife and was taken approximately four years ago. So the reference in the petition to marriage has been proved by the evidence so far submitted. Some additional questions are then asked by Mr. Seguin of the city of Ottawa who appeared as counsel for the petitioner. With respect to the question of domicile these questions were asked:

Q. You told us you lived in Montreal. How long have you lived in Montreal?
A. Since 1928, the day I came to this country.
Q. When you emigrated to Canada?
A. Yes.
Q. You have lived ever since in Montreal, in the province of Quebec?
A. Yes, sir.
Q. And you have never moved out of that province?
A. No, sir.

Mr. Broome: On a point of order, Mr. Chairman, is the hon. member allowed to waste the time of the committee simply by reading and occasionally paraphrasing the evidence given before the committee? I believe there is a rule that quotations shall not be of undue length and shall have something to do with the point the hon. member is making. All the hon. member is doing is simply reading the evidence and certainly the rules of the house must provide that that cannot be allowed.

The Deputy Chairman: I appreciate any guidance hon. members can give me. If the hon. member can refer me to a citation covering this matter the Chair will be happy to entertain it.

Mr. Howard: I will not speak on the point of order because this question has been raised on a number of occasions and has been dealt with.

Mr. Hodgson: You just want to hold up the house for no reason at all.

Mr. Broome: Just a smart aleck.

The Deputy Chairman: Order.

Mr. Howard: I do not hear these comments that are made by people who sit in their seats.

Mr. Broome: You certainly don't want to hear them.

Mr. Howard: It is strictly against the rules.

An hon. Member: What do you know about it?

Mr. Broome: What consideration have you for the rules? None whatsoever.

Mr. Howard: If hon. members want to speak there is a proper way of doing so instead of sitting in their seats and barking out comments like puppy dogs.

Mr. Broome: If you would spend more time in your seat this would be a different place.

Mr. Howard: I do not want to get into exchanging remarks of this type across the floor. The point that is being proved here is that this man had domicile in Montreal in the province of Quebec and has never moved out of that province. Therefore the matter is properly before us because sometimes there may be conflict with respect to whether or not there is jurisdiction to deal with a particular case. Then there are some events leading up to the allegation of adultery which

Mr. Seguin draws out in evidence. He asked him how long they lived together after they were married and the petitioner said for about two and a half years or some time at the beginning of 1945. Then there is this testimony:

Q. Did you leave her or did she leave you at that time?
A. She would have nothing to do with me. I told her, "The least thing you could do is before going to bed to wash yourself" and she hit me with a bottle. She told me to get out and see—

Here, a word is used that I would not use in this place. It is the shortened form of the word one applies to a woman of the streets, as it were.

That is when I broke up with her.

Mr. Hodgson: Read on.

Mr. Howard: The hon. member is asking me to read on. Undoubtedly he has an intense interest in this sort of thing. There is some phraseology in here, Mr. Chairman, and some words are used—I know they are given in evidence—

Mr. Horner (Acadia): They would not bother you.

Mr. Howard: —which refer to some particular thing, but I would not use them here. They are in the evidence for any hon. member who desires to make reference to them. Then these questions follow:

Q. And you remember the approximate date when you left her?
A. It happened sometime in August or September of 1944 or 1945; I don't remember the exact date.
Q. It was after she beat you with the bottle you left?
A. Yes.

Then farther down there are some questions by Mr. Seguin with reference to condoning this act and there is a reference to a child. You have indicated before, Mr. Chairman, that we have no right to discuss the children, so I think I should not make reference to that. Then these questions follow:

Q. Since you left your wife have you had anything to do with her? Have you cohabited with her as man and wife?
A. No, sir.
Q. Have you been going out with her?
A. No, sir.
Q. Do you know anything personally of the adultery alleged in the petition to the effect that your wife was in a certain place with a man—

He gives here the name of the corespondent.

A. Yes, sir. I was in the car on the parking lot of the place where the motel is situated.
Q. Did you go in the cabin or the room?
A. No, I was in my car and I saw the detectives going in.

The reference to the detectives, I imagine, is a reference to Mr. Albert Janelle, who appears as a witness and who is listed as an investigator, and Mr. Armand Labonte, who is also a witness and lists his occupation as chief of police. In any event, we will go on with the questions:

Q. That is all you know about it?
A. I saw the detectives going into the motel.

By Senator Bradley:

Q. You don't know who was in the room?
A. I saw my wife and this fellow go in.
Q. And you saw the detectives go in?
A. Yes.
Q. Did you see anybody come out?
A. I saw the detectives come out.
Q. But not your wife or the man?
A. No.

Then there is another question by Senator Bradley on the top of page 11:

Q. Do you know who the man was?
A. I know now who it was.
Q. You did not know at the time?
A. I knew slightly because the man did appear at my dance hall at certain times.

The petitioner lists his occupation, in reply to questions by the clerk, as a dance hall owner. Then there is this question:

Q. What is his name?

He gives the name of the corespondent. Then the next questions relate to the fact of whether or not there is any close relationship between the petitioner and the corespondent, whether there is any collusion. Mr. Seguin asks these questions:

Q. Had you ever talked to this man before?
A. Maybe "hello" when he would come upstairs.
Q. And that is all?
A. That is all.
Q. Did you ask this man to go out with your wife?
A. No, I did not.
Q. Did you ask your wife to go out with him?
A. No, I did not.
Q. It is also alleged that your wife gave birth to a baby girl. Do you personally know anything about that?
A. I found out about that sometime in December, 1958.

This would undoubtedly be a reference to a child born some years after the parties had separated, although that is not clearly established. Then there is this question:

Q. You were just told; she did not admit it herself?
A. She did admit it.

Then by Senator Bradley, there are these questions:

Q. What did she say?
A. She was very drunk and she told me exactly what happened, that she gave birth to a child sometime in September, 1956, and she gave the child out for adoption.

I think perhaps we may be running afoul of the rules to mention the child, except that this may be permissible here because it would give some corroboration or proof of the adultery. These parties separated in September, 1944 or 1945, according to the evidence given earlier, and the petitioner

had not seen her or been out with her or cohabited with her since that time. This child having been born in September, 1956, according to the evidence, would indicate that adultery had taken place. It is only in that context that I think mention of this child might be in order.

Then Senator Bradley, who is interested in this same point, asks some further questions:

Q. Did she give you the name of the father of that child?
A. No, she did not.
Q. She just told you she had another child?
A. Yes; and she mentioned the name given to the child—I think it was—

Then he gives the name.

Q. Did she tell you when the child was born?
A. I believe October 1, 1956.
Q. Were you the father of that child?
A. No, I was not.

Senator Gershaw then asks questions about the surrounding circumstances of this conversation between the respondent and the petitioner which led to this reference to the child having been born. He asks:

Q. Where did this conversation take place?
A. She came to me for some money—I had given her the money. She was feeling good and we started talking. She broke down and started to cry and said "I had a child four years ago and that is why I am drinking even more now—it is on my mind."
Q. Did she stay overnight?
A. No, she never stayed overnight with me since the day we broke up.

Then Senator Bradley asks further questions about condoning the act, and they are as follows:

Q. You have never had any sexual relations with her since your breakup 15 years ago?
A. No, sir.

Then they want to discover whether there is any collusion in connection with this divorce and Mr. Seguin inquires:

Q. Did you arrange this divorce with your wife?
A. No.
Q. Would you take her back or forgive her?
A. Never.

Then Senator Bradley follows this questioning further by asking:

Q. Did you do anything in the way of embarrassing this woman or thrusting men in her way or anything of that kind?
A. No.
Q. And you didn't talk to her about this divorce?
A. No.
Q. This is not framed between you?
A. No.

Then the chairman, Senator Kinley, speaks up and says:

Q. You do not forgive her?
A. No.

In the questions a number of things are indicated. One is that they have been parted for some 15 years. Another is that there has been no collusion between them to plan the divorce, no collusion for the wife to meet the corespondent or for the corespondent to meet the wife, and that this was not arranged for by the petitioner. There is also, from the evidence given so far, an indication that adultery had taken place because of the baby girl that was born to the respondent, the wife, some 10 years or 11 years after they had separated. On the surface this fact would indicate that adultery had taken place, especially since the petitioner is asked by Senator Bradley the direct question:

Q. Were you the father of that child?
A. No I was not.

As I say, on the surface this would indicate that adultery had taken place. It is probably far greater proof of adultery than that which we have been given in many other instances.

While investigators or an investigator and a chief of police are involved in this case as witnesses on behalf of the petitioner, as yet I have not looked up that part of the evidence as to what they discovered. If it is anything similar to the evidence that is usual in cases of this nature, it will not be so conclusive in its proof of adultery or corroboration of adultery as is the evidence that has been given to us so far by the petitioner himself.

It is true that it is one-sided evidence. It is true that the respondent was not there to give evidence. Although she was called, she did not appear. Having been served with notice of the action, I am sure that if she were much interested she would have appeared. Had she done so she might have given evidence and it might well have been the case that some of it might have been different. As to that, I do not know.

But this evidence that is before us, I would say without going further into what the investigator and the chief of police have to say about what they discovered, would be more conclusive proof of adultery having taken place than possibly would the evidence of the investigators themselves, although there is no evidence here as to just who the corespondent was or not as to who the corespondent was but as to who the father was of the child that was born some four or five years ago. If it is necessary in a divorce action to have a corespondent and the name and address of that corespondent, then perhaps it is necessary to go further into the evidence. I notice my friend the hon. member for Halifax shaking his head in the negative. Perhaps for my information I could ask a question. Could I take that to mean that it is not necessary to have a corespondent in a divorce action?

Mr. McCleave: My hon. friend means the name of the corespondent. That is so. If the name cannot be found by diligent search or inquiry it is provided that the person does

not have to be named in the petition. It happens that there are a few cases further on in which that practice is adopted.

Mr. Howard: However, as I said earlier, I would suggest that the evidence given so far, even though there is no name or address given of the corespondent, there is certainly an indication that there is or was a male corespondent so far as the birth of the child was concerned and it would seem to me that that fact in itself would be sufficient inasmuch as it is not a contested case and that we need go no further.

However, perhaps inasmuch as the evidence is here it might be worth-while determining in a brief way just what evidence is given by the investigator and the chief of the police and what they actually discovered with respect to the actual allegation of adultery having taken place with this particular corespondent because apparently that is what the case is based upon and is what should be considered, although I myself would say without hesitation that the case has been proved already.

Mr. Albert Janelle appeared as a witness and was sworn. He gives his name, address and occupation as an investigator to the clerk of the committee. Then he is asked some questions by Mr. Seguin. He then tells for whom he is working, he identifies a photograph that is exhibit 2 as being that, as he said, of the gentleman's wife or respondent and he gave her name. Then this question is asked:

Q. On what occasion did you see her?
A. I saw her on January 26, 1959. A lawyer, Rene Durenleau, he called me up and asked me if I was free on the 26th, at night about half past six to follow someone who was to pick up a certain lady at—

He gives here the address. It sounds as though this lawyer had an undue amount of information as to what the individual was about to do, whom he was to pick up and when he was supposed to pick her up and at what address. This is what Mr. Janelle tells us. He tells us that he was called up and asked if he was free on the 26th, the specific night and the specific time at night, namely six thirty, to follow someone who is going to pick up a certain lady. As I say, Mr. Durenleau, the lawyer in this case, must have had an undue amount of ability to discover information of that nature if it was not already planned that on the 26th a certain lady would be picked up at a certain address and there would be an investigator there to notice all that sort of thing. In fact, Senator Gershaw follows that point up and says this:

A lawyer asked this detective to be ready to go at a certain hour on a certain night. Well, that seems as if the whole thing was planned or arranged that they all be there at that time.

[Mr. McCleave.]

Mr. Janelle spoke through an interpreter, and the interpreter says this:

The witness answers that it was to keep watch.

Even so, if it was to keep watch, it was to keep watch upon a certain thing that he was told beforehand would take place and that he was to follow someone who would pick up a certain lady at a particular address on this particular night. In any event Mr. Seguin follows with the question in this regard:

Q. But did he actually give you a time or anything, or give you an address?

Then there is left out the usual capital "A".—it is not in the evidence—indicating an answer. I suspect that this is merely an omission of this letter and that the answer is as follows:

Oh, yes, he told me about half past six.
Q. To go there around half past six?
A. Yes. He told me that the wife's husband would probably be there, that he had given the lawyer the investigator's licence plate number.
Q. And who was that man, is he here in the room?
A. Yes, but I didn't see him at that particular time. I saw him when I got there, and he followed us, and I had two men with me. My man told me that there was a car following us, but I knew that it was a Rambler station wagon. I stayed in my car with one man, and another man kept watch on the street.

Apparently there are three detectives or three investigators involved in this case and the respondent himself, all of whom knew that at a certain time something was going to take place and they were to be there. Anyway, Senator Bradley follows this question up as follows:

By Senator Bradley:
Q. Who was in this car following you?
A. I don't know. I followed the man to the motel with the wife. He stopped his car in front of 1107, and eleven. One side was a gas station with a restaurant, 1107. The restaurant's name is Laurentides. On the other side of the motel is number 1111.
Q. This thing does not make sense. I mean, you are still on—street, and all of a sudden we find you at a motel, and nothing happened on—. But I have not had an answer to my question yet about the car that was following.

By Mr. Seguin:
Q. Tell us about that?
A. He only found out who the person was in the car at the motel afterwards.

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

Mr. Horner (Acadia): I would like to say a few words on this bill. Here we have a case which is a very good one. There are two gentlemen over there who particularly like defending the rights of individuals. In this case we have a couple who were married some time ago and the question was put, "How long is it since you left her?", and the answer was "Fifteen years". Fifteen years,

yet these people over there are trying to protect the rights of the individual. This couple have not been together for 15 years and in the intervening time the wife has had an illegitimate child. Yet that pair over there are trying to protect the rights of individuals. It is nothing but plain cruelty—

The Deputy Chairman: Order. The hon. member must refer only to Bill No. SD-30.

Mr. Horner (Acadia): I don't know whether the hon. member objects to the evidence or whether he says it is wrong or whether he does not believe in it, but on page 11 we have the question:

> Q. You were just told; she did not admit it herself?
> A. She did admit it.

That is with regard to the illegitimate child. The hon. member goes on and reads the evidence, and we can all read, I hope. These people have not been together for 15 years, according to the evidence. An illegitimate child has been born to the wife, and certainly we should grant the divorce and get on with the proceedings and pass on to the next case. This evidence is clear if ever there was a clear case before this committee. It went through the Senate committee and the evidence is all here. I think we should get on and give those people a divorce and try and do something for the rights of others, besides narrow-mindedness and pig-headedness on the part of—

The Deputy Chairman: Order. I recognize the hon. member for Halifax.

Mr. McCleave: Mr. Chairman, the hon. member for Skeena was reading the evidence but his time ran out before he was able to read some further evidence at the bottom of page 16 which gives a better appearance to this case than the evidence he read before in which he made reference to what looked like an arrangement to follow the wife on this particular night. Even looking at the evidence which appears at the bottom of page 16 the case was not, I think one would say, a particularly happy one, but I think the scales of justice have been thrown into proper balance and we can make up our minds that this person is deserving of a divorce by the fact that the wife had been carrying on with another man at another time, as the baby attests, and also by the fact that the marriage to all intents and purposes was dissipated a long time ago.

I will not read the actual evidence; I prefer to take part in the debate rather than read this sort of thing before people in the public gallery and hon. members in the committee. But there is evidence on page 16 which rather softens the effect of some of the evidence which has been read hitherto.

Mr. Howard: I imagine the hon. member for Acadia could look down the neck of any medicine bottle with two eyes at the same time when it comes to narrow-mindedness.

The Deputy Chairman: Order.

Mr. Horner (Acadia): Well, at least I am not a communist.

Mr. Howard: Do you know anyone in this house who is?

Mr. Horner (Acadia): I know someone who could be.

Mr. Howard: You are nothing but a dirty liar.

The Deputy Chairman: Order.

Mr. Howard: I resent accusations of this kind, Mr. Chairman, and I ask the hon. member to withdraw them completely.

The Deputy Chairman: Order.

Mr. Howard: He called me a communist.

The Deputy Chairman: I did not hear the hon. member say you were a communist. I may be wrong in what I heard, but would the hon. member advise me whether he did so?

Mr. Horner (Acadia): I said I was looking at one who could be.

Mr. Howard: He was looking at you when he said that, Mr. Chairman.

The Deputy Chairman: The hon. member did not say you were.

Mr. McCleave: Mr. Chairman, on a question of privilege, I believe the hon. member for Skeena used the phrase, "dirty liar". That is definitely unparliamentary and I suggest he withdraws it.

The Deputy Chairman: I did not hear that phrase.

Mr. McCleave: He said that from his seat.

Mr. Howard: No, I said it while standing up, as I make all my remarks.

The Deputy Chairman: If the hon. member said "dirty liar" I will have to ask him to withdraw that remark.

Mr. Howard: I will gladly do that now that the hon. member for Acadia has backed away from his initial slanderous accusation.

The Deputy Chairman: Order.

Mr. Horner (Acadia): That is what I said at the start.

Mr. Howard: You do not withdraw it?

Mr. Horner (Acadia): I said what I said.

The Deputy Chairman: Order. The hon. member for Skeena has the floor.

Mr. Howard: That is why I withdrew the reference I made to the hon. member for Acadia.

The Deputy Chairman: Order. That matter has been taken care of.

Mr. Howard: I thought it had too, but my volatile friend over there insists on jumping up.

The Deputy Chairman: Order. Come back to the bill.

Mr. Howard: The hon. member for Acadia in his initial remarks read precisely what I had read and in effect said precisely the same thing as I said.

Mr. Horner (Acadia): Why do you not pass the bill?

Mr. Howard: He said the evidence so far indicates that there is proof of adultery.

Mr. Horner (Acadia): Get on with the bill.

Mr. Howard: This is what causes ulcers and high blood pressure—impatience, intolerance and slanderous statements.

The Deputy Chairman: Order.

Mr. Howard: They are statements which would not be allowed in many other places. But as the hon. member for Acadia pointed out, he reiterated what I had said up to that time. The evidence goes on to indicate evidence of adultery by the petitioner, a child being born out of wedlock to the respondent after some 10 or 12 years after they had separated, and that full weight should be given in considering this particular petition. It makes me wonder, therefore, why it was necessary to go through all the expense and rigmarole of having two or three investigators or detectives prove, in a rather incidental way—

The Deputy Chairman: Order. The hon. member is back to procedure again. I must ask him to stick to the bill.

Mr. Howard: I did not intend to get into the question of procedure, only to say that this evidence is given in support of the allegation of adultery so that the marriage can be dissolved, and it makes me wonder in my own mind what adultery is. I got into a discussion of this sort before. This is the evidence given by Mr. Janelle after he got inside the hotel. He was asked:

Q. Now, you went to the door; what door?
A. Number 17. A man came and opened the door; he was wearing shorts;—

That is not evidence of adultery.

—the bed was undone;—

That is not evidence of adultery but only evidence that a bed was undone. So a woman was sitting on the chair. That is not evidence of adultery, it is evidence only that she was sitting on the chair.

Q. She was sitting on a chair, you say?
A. All she was wearing was a slip and brassiere. The bed was all undone.

That again is not evidence of adultery. It is only evidence of what she was wearing or, perhaps, of what she was not wearing.

Q. Did you talk to this woman?
A. I asked both the man and the woman what their names were. He told me his name was—, and she told me she was—. The man asked me. "What is the matter, is it wrong to go out with her, she always told me that her husband was dead?" I answered, "He is not dead, he is in the car."

That is not evidence of adultery. It is only evidence that the husband was in the car.

When the owner of the motel came to ask me what I was doing there I told him I was waiting for some one. I saw this car coming, and I recognized the Rambler that had been following us. That is why I told the woman in the motel room that her husband was not dead, that he was outside in the car.

So far, there has been no evidence of adultery; only evidence that people were attired in a certain way. Senator Bradley is also concerned about what is evidence of adultery, because he says:

Q. We want to get clearly, witness, what you saw in that room 17?
A. The bed was undone. The sheet had been thrown to the foot of the bed. The bed was undone.

That is the fourth or fifth time the bed has been undone, but it still does not prove adultery.

Q. Was there anybody in the bed?
A. There was no one in the bed, but someone had been in the bed.
Q. Who was in the room?
A. The woman.
Q. Mrs.—and a man?
A. Yes.
Q. Do you know who the man was?
A. No. I don't know who he was. I asked him for his licence and he told me it was none of my business.

That, I think, is the proper answer that a person such as this should give to one of these nosey investigators. Nowhere in this evidence is there any reference to adultery, and I wonder why people waste their time coming here with this sort of evidence when the evidence of the petitioner himself shows that a child was born out of wedlock after a separation of years and that he himself was not the father of the child. That should be sufficient grounds on which to grant his divorce. Those are the grounds to which I give my support in considering this particular case.

The chief of police of Marieville also gives evidence in this case. He said he went to this

particular street on January 26, 1959 accompanied by a Mr. Janelle, and parked the car to watch.

At about 7.25 a convertible Pontiac came up, stopped in front of 3442, and the man stepped out of the car and entered that number, and came out with a woman—the woman on the photograph.

Then they followed the car to the motel. The man and woman—the corespondent and the respondent—walked into a cabin. The evidence continues:

We waited 20 or 25 minutes; the lights went out in the cabin, and we walked to the door. Mr. Janelle knocked; it took a minute or a minute and a half before he came and opened the door: the man was wearing his b.v.d.'s. He asked what we wanted and Mr. Janelle talked to him. The woman was sitting on the side of the bed wearing only a slip and brassiere.

Janelle said she was not sitting on the bed at all, but that she was sitting in a chair. I point out that this kind of evidence might just as well not be here at all. It adds nothing to what has already been stated. As I have said, there is ample evidence already as far as adultery is concerned over a period of some 15 years—evidence that a child had been born out of wedlock of which this woman's husband is not the father. This, I would say, is proof positive that adultery had taken place whereas the evidence given by the chief of police and by Mr. Janelle is merely that they discovered a couple of people together in this motel. It concerns only the state of dress of the two people concerned, and all this took place within 20 or 25 minutes between the time they got to the motel and the time they knocked on the door.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the Leader of the Opposition if there is any change in the business which was announced last night for next week?

Mr. Churchill: There are two slight changes to announce. I listed for Monday certain bills dealing with financial matters. I should like to change the order. The bills are given on page 4765 of *Hansard,* but I will repeat them.

1. The second reading of Bill No. C-74 referring to the Customs Tariff.

2. Bill No. C-73 referring to the Excise Tax Act.

3. Bill No. C-65 referring to the Estate Tax Act.

4. Bill No. C-69 referring to the expenditures of the Canadian National Railways system.

5. Bill No. C-64, to amend the Emergency Gold Mining Assistance Act.

6. Bill No. S-32, to authorize the construction and maintenance of a bridge across the St. Lawrence river near the twon of La Salle.

7. Bill No. C-68 referring to the Income Tax Act.

If this business should be completed on Monday there is available item 10 on today's order paper, the resolution in the name of the Minister of Finance dealing with the Public Service Superannuation Act.

For Tuesday, the first item will be consideration of the resolution in the name of the Prime Minister, dealing with the matter of the tenure of office of judges, followed by the motion in the name of the Minister of National Revenue to set up a select committee on the subject of broadcasting. Any of the items which I have called for Monday which are not completed on Monday would be dealt with again on Tuesday if the business proceeds rapidly enough.

Mr. Chevrier: I suppose the Minister of National Revenue is free now to deal with this matter.

Mr. Churchill: And quite happy.

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:

MINISTER'S AIRCRAFT EXPENSES, WHITEHORSE-FORT SMITH

Question No. 369—**Mr. Hardie:**

1. What was the cost of aircraft charter for the Minister of Northern Affairs and National Resources and party, from Whitehorse, Yukon, to Fort Smith Northwest Territories, in September, 1959?

2. How many stops were made between Whitehorse and Fort Smith, and what was the duration of each stop?

Answer by: **Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources)**:

1. Pacific Western Airlines

Whitehorse, Y.T. to Fort McPherson, N.W.T.	$784.63
Wardair Limited	
Fort McPherson, N.W.T. to Fort Smith, N.W.T. (Via Aklavik, Tuktoyaktuk, Inuvik, Norman Wells, Fort Simpson, Yellowknife)	$2,330.77
	$3,115.40

2. Approximate times of departure and arrival:

P.W.A. aircraft

Departure	Arrival	Date
Whitehorse 1 p.m.	Dawson 5 p.m.	September 6
Dawson 12 noon	Hungry Lake 1 p.m.	September 7
Hungry Lake 1.30 p.m.	Fort McPherson 5 p.m.	September 7

Wardair Limited

Fort McPherson 7 a.m.	Aklavik 7.30 a.m.	September 8
Aklavik 10.30 a.m.	Tuktoyaktuk 12 noon	September 8
Tuktoyaktuk 3 p.m.	Inuvik 5 p.m.	September 8
Inuvik 6 a.m.	Norman Wells 7 a.m.	September 10
Norman Wells 10 a.m.	Fort Simpson 4 p.m.	September 10
Fort Simpson 10 a.m.	Yellowknife 3 p.m.	September 11
Yellowknife 5.30 p.m.	Fort Smith 7 p.m.	September 11

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

DEPARTMENT OF TRANSPORT

Aids to navigation—

410. Administration, operation and maintenance including fees for membership in the international organizations listed in the details of the estimates, $6,015,938.

Aids to navigation—

560. Administration, operation and maintenance—further amount required, $1,376,445.

END OF VOLUME IV